



Daily Report

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NOTICE TO READERS: An * indicates material not previously disseminated in electronic form.

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General

Foreign Ministry Holds Weekly News Briefing

Diaoyu Islands 'Belong to China'

OW2702095292 Beijing XINHUA in English
0934 GMT 27 Feb 92

[Text] Beijing, February 27 (XINHUA)—“A great amount of historical facts have proved that the Diaoyu Islands belong to China,” a Chinese Foreign Ministry spokesman said here today.

“At the same time, this position of China is also indisputable from the angle of international laws,” he said while answering a question on the Diaoyu islands at a weekly press conference this afternoon.

“Therefore,” he said, “China’s reiteration of this position in the law on China’s territorial waters and its adjacent areas is also irrefragable.”

“China’s promulgation of the law on territorial waters and its adjacent areas has nothing to do with the 20th anniversary of the restoration of diplomatic relations between China and Japan,” he stated.

Details Qian Qichen European Trip

HK2702103392 Hong Kong AFP in English
1005 GMT 27 Feb 92

[Text] Beijing, Feb 27 (AFP)—Chinese Foreign Minister Qian Qichen will pay official visits to Britain, Germany and the European Community (EC) headquarters in Brussels early next month, a ministry spokesman said Thursday.

Qian’s trip, from March 8-14, will be the first by a Chinese foreign minister to the three European capitals since the crackdown here on pro-democracy protests in June 1989.

It marks a new phase in Beijing’s normalisation with European countries, which imposed political and economic sanctions after troops violently crushed the demonstrations less than three years ago.

The Foreign Ministry spokesman, Wu Jianmin, said Qian would meet in London with British Prime Minister John Major and Foreign Secretary Douglas Hurd.

His talks there would cover “issues concerning bilateral relations” including the British colony of Hong Kong, which reverts to Chinese sovereignty in 1997, and international questions of mutual interest, Wu said.

The British foreign secretary and prime minister came to Beijing in April and September 1991 respectively, essentially to discuss Hong Kong.

During Major’s visit, Beijing and London agreed that their foreign ministers should meet twice annually to ensure a smooth transition in 1997.

In Germany, Qian will meet with Chancellor Helmut Kohl and Foreign Minister Hans Dietrich Genscher as well as “some important people in German political circles,” the spokesman said.

“Germany is an important country in Europe. They have some similarities and common views on some international issues,” he said.

“The economies of China and Germany are highly complementary,” he said. “We hope that this visit will increase mutual understanding.”

In Brussels, Qian will meet European Commission President Jacques Delors and Vice President for International Affairs Frans Andriessen, who came to China in October.

Reports on Sino-Indian Border Talks

OW2702104792 Beijing XINHUA in English
1035 GMT 27 Feb 92

[Text] Beijing, February 27 (XINHUA)—China and India continued their consultations on ways of settling Sino-Indian border issues during the fourth Meeting of the China-India Joint Working Group on the Boundary Question which was held recently, a Foreign Ministry spokesman said here today.

In response to a question on Sino-Indian border issues at a weekly press conference, the spokesman said the two sides held discussions on measures to ensure peace and tranquility in the areas along the line of actual control of the Sino-Indian border.

Both sides agreed that the military border personnel of the two sides will have regular meetings in June and October each year at the eastern and western sectors of the Sino-Indian border, the spokesman said.

He said, they also agreed to establish communication links between the meeting places of the two sides. China and India also exchanged views on measures to increase trust in the areas along the line of actual control, and they agreed to hold the next round of talks in Beijing at an early date.

XINHUA Domestic Report on Human Rights Issue

OW2602124692 Beijing XINHUA Domestic Service
in Chinese 0719 GMT 26 Feb 92

[By reporter Zhang Zhengdong (1728 1727 2639)]

[Text] Geneva, 25 Feb (XINHUA)—Speaking at the 48th United Nations Human Rights Conference on 25 February, head of the Chinese delegation Fan Guoxiang cited a host of facts to expose the lies about the so-called “human rights issue in Tibet” created by some nongovernmental organizations, and pointed out that the essence of their lies is attempting to split Tibet from China.

In August last year, the Sub-Commission on Prevention of Discrimination and Protection of Minorities under the Human Rights Committee, ignoring the strong opposition of Chinese committee members and other members of the committee, using secret balloting, passed with a slight majority a resolution on the so-called "situation in Tibet, thus crudely interfering in China's internal affairs. During the current human rights conference, some nongovernmental organizations again included the so-called "investigation materials," which had been thoroughly refuted by China, as an appendix to the UN Secretary General's explanation. With respect to this, Fan Guoxiang pointed out in his speech that the resolution on the so-called resolution on the "situation in Tibet" and the "appendix materials" were totally wrong because they were not based on reliable facts. The purpose of the resolution and the "appendix materials" was to attempt to "internationalize" the issue of Tibet, thereby providing backing for a handful of separatists.

Fan Guoxiang pointed out that the so-called "human rights issue in Tibet" was a political smokescreen put up by a very small number of Tibetan separatists in collusion with some international forces hostile to China. He said that people with some knowledge of Tibet's history know that before 1959, Tibet practiced a feudal serf system that was seamier, more savage, and more backward than the system practiced in medieval Europe. Speaking of human rights issue in Tibet, the masses of serfs and slaves in Tibet were devoid of any human rights during this period. In 1959, the Chinese Government introduced democratic reform in Tibet and abolished the feudal serf system there. This was the urgent demand of the people of Tibet and it conformed entirely to the provisions of international human rights documents concerning basic human rights and freedom. From that time on the human rights situation in Tibet has undergone an earth-shaking change. The former serfs have become the masters of their country, enjoying broad political rights, including the freedom of religious belief, protected by the Constitution.

Fan Guoxiang also forcefully refuted the lies and slanders contained in the materials on "investigation on the human rights situation in Tibet" compiled by some nongovernmental organizations. He pointed that some of the investigation materials called for "national self-determination" in Tibet and that some even used the term "Tibet is an occupied country" in their titles. The materials also slandered the stationing of Chinese forces in China's territory as "military occupation" and distorted the abolition of the serf system as "colonial rule." He said that their charges were absolutely preposterous. He said that it will be useless for some international anti-China forces to attempt to dress the handful of separatists who formerly trampled underfoot the human rights of the people of Tibet, who are now undermining the territorial integrity of China, and who completely turn their back on the aspirations of the people of all nationalities of China, as the defenders of the rights of the people of Tibet.

Shanghai To Host Global Environment Conference

OW2602143492 Beijing Xi XINHUA in English
1414 GMT 26 Feb 92

[Text] Shanghai, February 26 (XINHUA)—The global conference on the interrelationship between the environment and economic development will be held in Shanghai, China's largest industrial city, April 14-17.

The holding of the meeting here is aimed to make the Chinese more aware of the importance of environmental protection, said Zhang Fu-kui, director of the executive committee of the conference.

Zhang said the conference will focus on the problems of environmental protection in China, including problems affecting development of the Pudong new development zone east of Shanghai, as well as those of global economic development.

The conference is sponsored by the United Nations Environment Program (UNEP) and the Development Research Center of the International Technology and Economy Institute under the State Council of China.

The conference will be held in conjunction with an International Children's Art Exhibition and a concert by international singers to promote global afforestation. Also included will be an international exhibition of applied technology and products for environmental protection.

Experts on environment protection, officials, and representatives of enterprises from 14 countries and regions will attend the conference.

The conference is a forerunner to the U.N. conference on environment and development to be held in Brazil this June.

Countries To Discuss Tumen River Development

OW2602230492 Beijing XINHUA in English
2137 GMT 26 Feb 92

[Text] United Nations, February 26 (XINHUA)—China, the Democratic People's Republic of Korea, Mongolia and the Republic of Korea will discuss a proposed plan to develop the Tumen River area at a meeting to be held in Seoul at the end of February.

The meeting, the first of the Tumen River program management committee, will be held in the South Korean capital on February 27 and 28 under the auspices of the United Nations Development Program (UNDP), according to a UNDP press release today.

Under the UNDP plan, the Tumen River area, which covers a 10,000-square-kilometer coastal area where China, the Democratic People's Republic of Korea and Russia meet, will boast a port that is comparable to Rotterdam.

The program management committee, comprising representatives of the four countries, was created last October to draw up a plan and oversee all activities related to the Tumen River development program, which envisages more than 30 billion U.S. dollars in investments over a 20-year period.

Its meeting in Seoul will consider a UNDP project proposal for an 18-month program worth 3.2 million dollars to develop plans and options for economic cooperation in the region, pre-investment studies and appraisals and an investment stage.

Attending the meeting will also be observers from Japan and Russia as well as representatives of UNDP, the Asia Development Bank and other international organizations.

Column Notes 'Great Achievements' in Diplomacy

HK2602062692 Hong Kong LIAOWANG OVERSEAS
EDITION in Chinese No 6-7, 17 Feb 92 p 2

["Letter From Beijing" by Bao Xin (7637 0207): "Further Activate Foreign Affairs Work"]

[Text] Brother:

Around the Spring Festival, the international community showed much concern for Premier Li Peng's visit to Europe and his participation in the UN Security Council's summit meeting. As you are aware, many people in foreign press circles highly appreciate the great achievements China has made in diplomacy. China is playing a bigger role in international affairs. Some of the Western media which was not so friendly toward China in the past have also admitted that "China is returning to the international arena" and that the West "must take serious account of China's influence." As a matter of fact, China has incessantly made contributions to safeguarding world peace and promoting international economic development. It has "never withdrawn from the international arena." How can we say "it is returning"? Instead, China has been more active in foreign affairs work recently and has conducted frequent international exchanges. This is a fact known by all.

In the beginning of this year, President Yang Shangkun successfully visited friendly neighbors Singapore and Malaysia. In the meantime, Foreign Minister Qian Qichen paid friendly visits to six African nations. Subsequently, Premier Li Peng formally visited Italy, Sweden, Portugal, and Spain; attended the annual meeting of the World Economic Forum; and met leaders from 11 countries including Bush, Major, and Yeltsin as well as the UN secretary general during his participation in the UN Security Council's summit meeting. In January this year, China also accommodated visits by several countries' leaders and foreign ministers including those from Belorussia and Israel. It established diplomatic relations with Israel and some countries of the Commonwealth of Independent States.

Unquestionably, these activities are conducive to promoting world peace and stability and to developing international exchanges and cooperation. These have been appreciated by the international community. This fact suggests that no matter how international storms change, no one can isolate China, which has a population accounting for one-fifth of the world total. From now on, in the course of expediting its reform and opening up, China will further invigorate its foreign affairs work, pursue an independent foreign policy, and establish and develop friendly relations with all countries in the world on the basis of the five principles of peaceful coexistence. China is well aware that the realization of modernization requires two indispensable conditions, one being a stable political situation in the country and the other prolonged stability in foreign countries and a peaceful international environment. China will continue to make unswerving efforts for the consolidation and development of a peaceful international environment.

A key point in China's foreign policy is further developing good-neighborly relations with the surrounding countries and creating stable and peaceful environments around it. The past year is a period during which China has witnessed the best good-neighborly relations with the surrounding countries. Friendship and cooperation between all sides has been consolidated and developed. Good-neighborly relations conform with the common interests of the Chinese people and the people in the neighboring countries. These relations have also promoted peace and development in the Asian region.

An important component of China's foreign policy is improving and developing its relations with developed Western capitalist countries and strengthening political, economic, trade, scientific, and technological relations with. The overall development of these relations and cooperation not only correspond with the fundamental interests of both sides but are also beneficial to world peace and prosperity. In the last two years, China has broken Western sanctions and markedly improved its relations with the United States and West European nations. But there are still obstacles which affect the development of relations, and efforts should be made to remove them.

The foothold of China's foreign policy is strengthening friendly relations with developing countries and widening cooperation with them in various fields. China is a developing country and will continue to support the just demands of developing countries. In particular, it will strengthen its contacts and links with the Group 77 and ASEAN and will share common efforts with developing countries in safeguarding peace and economic development.

Now the international community is holding a wide range of discussions on the establishment of a new world order. China has made major efforts in this respect and will continue to do so. On forming a new, stable, reasonable, and fair international order, China has the following basic viewpoints:

- A new international order should be based on the five principles of peaceful coexistence, the core being non-interference in each other's international affairs;
- All countries, big and small, strong and weak, have the right to participate in international affairs as equal members of the international community;
- A new international order should also include a new economic order; it is more urgent than ever before to form a new, fair, reasonable, equal, and mutually beneficial international economic order;
- The human rights and basic freedom of all mankind should be respected, but no demand should be made for all countries in the world to follow the human rights standards of one or a small number of countries, nor should the human rights issue be used as a pretext to interfere in others' internal affairs;
- Effective disarmament and arms control should be realized according to a fair, reasonable, overall, and balanced principle;
- The United Nations should uphold fairness and justice and play a more positive role in defending world peace, seeking developing, and establishing a new international order.

[Signed] Bao Xin

[Dated] 7 February

Asian Development Bank Plans To Increase Loans

HK2702095392 Beijing CHINA DAILY
in English 27 Feb 92 p 1

[By staff reporter Liu Hong: "Bank Plans Big Growth in Loans to China"]

[Text] The Asian Development Bank [ADB] plans a big increase in its financial support to China.

The bank's vice-president, Gunther Schulz, said yesterday planned loans this year are around \$700 million to \$800 million as against \$500 million last year.

That means the bank's lending to China is to grow between 40 and 60 percent this year.

The vice-president of this leading international financial supporter for Asian region countries has come to Beijing for a conference convened by the People's Bank of China, the country's central bank, to discuss how to make effective use of loans from the ADB.

Some 150 senior officials from Chinese banks and other economic departments will compare notes and exchange views at the 5-day China National Conference on ADB Operations, which is designed to familiarize officials with the bank's policies and seek ways to promote business links with it. The meeting is the first in China since it joined this 52-member international financial establishment in 1986.

Li Guixian, governor of China's central bank, said in his opening speech yesterday he believed the conference

would "significantly contribute to increasing" business links between ADB and China.

Meanwhile, the ADB's vice-president stressed that the conference has at least two important benefits: first, it will further strengthen cooperation between China and his bank; second, it will help promote the effective utilization of the bank's resources.

Explaining ADB's "operational priorities" for the 1990s, Schulz said that his bank has decided to commit itself to promoting efficient use of resources, and sustained economic growth which takes into account environment protection and poverty reduction.

Li Guixian pointed out that China's development priorities matched well those of the ADB and said they envisaged a steady growth in cooperation.

He said that ADB's support to China had been helping to promote China's economic development, reduce poverty and protect the environment.

Statistics showed that ADB approved a total of \$1.016 billion in loans and equity investment to China from 1986 to 1991 while its technical assistance during the time amounted to \$24.5 million. The money has been mainly used to upgrade public facilities and improve energy supply.

Vice-Minister Views New Accounting Standards

OW2602113892 Beijing XINHUA in English
1024 GMT 26 Feb 92

[Text] Shenzhen, February 26 (XINHUA)—China plans to implement its own enterprises accounting standards this year, a senior Finance Ministry official said here today.

Speaking at a three-day international accounting standards seminar, which opened here today, Zhang Youcai, vice-minister of finance, said China will use the experiences of other countries to speed up China's formulation of accounting standards.

Over 80 accounting experts, professors and other economic officials, including those from the United States, Singapore, and Hong Kong, attended the seminar.

Arthur Wyatt, president of the International Accounting Standards Committee (IASC) and IASC General Secretary David Cairns attended the seminar, which is scheduled to end on February 28.

The Ministry of Finance began to draft China's accounting standards in 1988.

Rwandan, Chad Envoys Present Credentials

OW2602123292 Beijing XINHUA in English
1051 GMT 26 Feb 92

[Text] Beijing, February 26 (XINHUA)—Chinese President Yang Shangkun accepted credentials from newly-appointed Rwandan Ambassador to China Isidore Jean Baptiste Rukira and new Chad Ambassador to China Helena Tchouana respectively here this afternoon.

The Rwandan envoy arrived in Beijing on January 27 and the Chad envoy on February 11.

Iran Denies Involvement in Pan Am Blast

OW2702103992 Beijing XINHUA in English
0929 GMT 27 Feb 92

[Text] Tehran, February 27 (XINHUA)—Iran has denied press reports that it was involved in the bombing of an American plane over Lockerbie, Scotland, in 1988.

Local press today said that the Foreign Ministry made the statement to the AGENCE FRANCE PRESSE (AFP) on Wednesday.

The statement said, "We hereby officially declare that the said report is totally unfounded, viciously fabricated and simply false."

The British SUNDAY TIMES newspaper reported a secret Palestine Liberation Organization (PLO) inquiry which said the bombing was financed and ordered by Iranian former Interior Minister 'Ali Akhbar Mohtashami.

"The Islamic Republic of Iran condemns playing games with the lives of innocent human beings as an ungodly act, regardless of the cause, political or otherwise," the statement said.

The United States and Britain accused two Libyans of bombing the plane and killing 270 people. The U.N. Security Council has adopted a resolution calling on the Libyan authorities to hand over the suspects.

Iran has voiced support to the Libyan stand that an impartial tribunal should be formed for the investigation.

United States & Canada

Envoy Reiterates Stand on Weapons, Trade

OW2702100092 Beijing XINHUA Domestic Service
in Chinese 0739 GMT 27 Feb 92

[Text] Washington, 26 Feb (XINHUA)—On the eve of the 20th anniversary of the publication of the Sino-U.S. Shanghai Communique, Chinese Ambassador to the United States Zhu Qizhen spoke at the "Outlook for Sino-U.S. Relations" forum sponsored by the U.S. Brookings Institute on 25 February. He expounded on China's foreign policy and talked freely about his views on Sino-U.S. relations.

In his speech entitled "China's Foreign Policy and Sino-U.S. Relations," Ambassador Zhu said: In the past year, through the concerted efforts of the two sides, some progress has been achieved in the development of relations between China and the United States. The amount of bilateral trade increased by 20 percent as compared with that of the previous year. Not long ago, Premier Li Peng and U.S. President George Bush had a constructive meeting during the UNSC [UN Security Council] summit conference. This was the first meeting between the two heads of government since 1989, which is of great significance in restoring and developing Sino-U.S. relations.

Ambassador Zhu pointed out: Although some progress has been achieved in the development of Sino-U.S. relations, normalization has still not been restored because the U.S. Government is still applying sanctions against China. In the United States, some people have always attacked China on the issues of "human rights," the export of weapons, and trade. Zhu stressed that, to the vast number of developing countries, their main rights are independence, existence, and development. China opposes the practice of power politics [qiang quan zheng zhi 1730 2938 2398 3112] by using the issue of human rights and interference in the internal affairs of other countries.

On the issue of selling military equipment, Ambassador Zhu expounded on China's stand on just, reasonable, comprehensive [quan mian 0356 7240] and balanced arms control [jun kong 6511 2235]; and explained China's serious and prudent attitude toward the export of weapons.

On the trade issue, Ambassador Zhu said: China has always taken a positive attitude toward solving problems. Since an agreement on intellectual property rights was reached between the two sides, we have started to hold talks with the U.S. side on market access.

Ambassador Zhu also pointed out that the Taiwan issue is a long-standing one in Sino-American relations. If the American side continues to constantly violate the principles of the three communiques, it will be unavoidable for Sino-American relations not to be seriously harmed.

He said: Despite the various problems that exist between China and the United States, the two countries also have common interests. Maintaining good relations between China and the United States not only conforms with the greatest interests of the two countries but also contributes to peace and stability in the Asia-Pacific region as well as the world.

Ambassador Zhu pointed out emphatically: China highly treasures its state sovereignty and national dignity. The Shanghai Communique 20 years ago laid down the fundamental principles for guiding Sino-American relations. These fundamental principles are mutual respect for each other's sovereignty and territorial integrity, and noninterference in each other's internal affairs. These principles have undergone the test of time, and in the

future, it is very important that relations between our two countries continue to execute the principles of the Shanghai Communiqué.

In his speech, the Ambassador also reiterated the independent foreign policy of peace consistently pursued by China. He said: The five principles of peaceful coexistence are the most basic standards for guiding international relations, and the foundation for building a new world order. According to these principles, every country has the right to choose its own social, political, economic systems, and the road to development. No country, especially the great powers, should impose its own ideologies, values, or development models on other nations.

Article Criticizes U.S. Human Rights Standards

HK2702083292 Beijing RENMIN RIBAO
in Chinese 24 Feb 92 p 5

["Human Rights Forum" by Xiao Hong (2556 4767):
"Universally Applicable Or for a Particular Purpose?"]

[Text] The Western "human rights guardians" have said with certainty that human rights have no national boundaries. They also said that human rights standards are universally applicable, meaning, applicable to all races, nationalities, states, and classes, disregarding time and space, and applicable without exception to all fields, including the ideological field and value concept.

However, there are contradictions between Western human rights theory and practice. What is stressed by theory cannot be affirmed by legislation. Certain important international human rights documents can be denied with the excuse that they "run counter to the interests of the state." If these documents are recognized, they are only used to criticize others. In other words, they are only applicable to others and not to themselves.

According to the "Universal Declaration of Human Rights," "Everyone has the right to enjoy the freedom to hold and air personal views. This includes the freedom to hold views without external interference and the freedom to seek, accept, and transmit information and ideas through any media disregarding national boundaries." However, there are definite stipulations in U.S. laws which state that "people who advocate communist economic, international, and political theories, or advocate the establishment of a totalitarian dictatorship in the United States" shall not be allowed to enter the United States and they will not receive entry visas. ("U.S. Statutes [mei guo fa dian 5019 0948 3127 0368]," 1970 edition).

That is good. Because the United States does not allow the dissemination of communism, they should not impose their capitalism, colonialism, and imperialism on other countries. However, this will not do because they are still trying to impose such things on other countries. In the past, they established "Radio Free Europe" to conduct subversive propaganda against the East European socialist countries. Now, they want to

establish a so-called "Radio Free Asia" to disseminate their political ideas and economic theories, expecting to restore colonialist rule in China.

In recent years, some U.S. Congressmen and newspapers have seized every opportunity to attack China for punishing the criminals involved in Beijing's counterrevolutionary riots and Lhasa's disturbances. According to their logic, in the United States, there must exist the freedom to create rumors and instigate disturbances and riots, the freedom to attack the government and congress, and the freedom to kill soldiers and civilians. But we are mistaken once again when we examine the U.S. Statutes.

Article 2395 of the U.S. Statutes stipulates in explicit terms: "Anyone who deliberately or intentionally advocates, instigates, spreads the idea of, or lectures on the use of force or violence to overthrow or destroy the U.S. Government or any state;" "any one who has the intention of overthrowing or destroying this government, who prints, publishes, compiles, promulgates, distributes, sells, gives out, or openly exhibits, any written material or printed matter which advocates, encourages, or instigates using force or violence to overthrow or destroy any governments within the boundaries of the United States," "shall have a maximum fine imposed of \$20,000 or imprisoned for a maximum 20 years, or both, and shall be deprived of the right to work in this federal state or in any departments or bureaus." ("U.S. Statutes" 1983 edition)

Western "human rights guardians" are in favor of the doctrine of "natural rights." What on earth are these so-called "natural rights"? They are the rights "bestowed by the Creator" and which "accompany man's birth," or the rights of "natural human beings" who have no social nature or class nature.

Since every one is a "natural human being," why should one be considered a lawbreaker when creating disturbances in the United States but a treasure when creating disturbances in China? Why should spreading of communism be considered a crime in the United States and why should China accept the Western multiparty system and private ownership.

According to U.S. Statutes and the political reality in the United States, the measures adopted to deal with the "political dissidents" who have offended the bourgeois state and its political system are very hard. On the other hand, they regard supporting and instigating rioters and splittists in other countries as the "foundation" of their policy. How can we say that this human rights standard is universally applicable?

To lay bare this issue, the so-called human rights advocated by some people in the United States can be interpreted as allowing them to conduct infiltration, subversion, and peaceful evolution in other countries but not allowing others to resist them. They can act like overlords and the others should obey them and be

bullied by them. All things such as "universally applicable human rights" and "human rights without national boundaries" are false. Only one thing is true and that is that they want to practice hegemonism, colonialism, and capitalism.

Trade Official 'Optimistic' About MFN Status

HK2702033792 Hong Kong WEN WEI PO in Chinese
27 Feb 92 p 15

[Report: "Zheng Hongye Optimistic About Renewal of MFN Status"]

[Text] Zheng Hongye, chairman of China Council for Promotion of International Trade, who is currently visiting Hong Kong, yesterday reiterated that Sino-U.S. trade should be carried out on an equal and reciprocal basis and that China will never accept trade relations with other conditions attached. He said the results of the voting for the Mitchell Bill in the U.S. Senate this time still showed signs of optimism concerning the problem of most favored nation [MFN] trade status.

He said many knowledgeable people, including those in Hong Kong's industrial and commercial circles and the American Chamber of Commerce, had done a great deal of work over the past few years concerning the MFN status problem and had proposed many points which were in accordance with the facts. China is thankful for this. On the other hand, he stressed that China's stand is very clear concerning trade relations: The principle of equality, reciprocity, and meeting each other's needs should be adopted and trade relations should not have conditions attached. He hoped the people concerned in the United States do not waste time on the problem of whether or not to give MFN status but use more time to discuss how the import and export trade can be expanded between the two countries.

He said that China hopes to have the satisfactory result on the MFN status problem it has been expecting. However, if some unexpected situation occurs, China is also not afraid. He said that as far as the trade problem is concerned, China is actively discussing with the United States the problem of opening up the market and a Chinese purchasing group will soon leave to buy goods. It is expected that in the next five years, China will spend \$350 billion importing necessary products, an average of \$70 billion each year, indicating that the Chinese market is open to the world. Furthermore, China is actively taking corresponding measures tailored to the GATT principle to prepare for joining.

XINHUA Domestic Reports on Trade Talks

OW2702015892 Beijing XINHUA Domestic Service
in Chinese 1506 GMT 25 Feb 92

[Text] Beijing, 25 February (XINHUA)—A spokesman of the Ministry of Foreign Economic Relations and Trade said today: A Chinese delegation yesterday held a

fifth round of talks on market access with a U.S. delegation in an earnest, frank, and pragmatic [ren zhen tan cheng he wu shi 6126 4176 0982 6134 0735 0523 1395] atmosphere. The Chinese delegation was led by Tong Zhiguang, vice minister of Foreign Economic Relations and Trade, while the U.S. delegation was headed by Assistant Trade Representative Massey. During the talks, the two sides further clarified their respective positions and made some progress on certain specific issues.

He said: The Chinese side indicated that China is currently making an active effort to apply for a restoration of its status as a signatory to GATT. The delegation made it clear that upon joining GATT our country is entitled to rights entrusted by GATT and is prepared to honor commitments commonly undertaken by GATT signatories. To this end, China will continue to reform its foreign trade system, in particular its import system, to make it compatible with GATT requirements. Besides, it will guide its administration of export and import trade in accordance with relevant regulations governing the multilateral trade system. During the talks, the Chinese side emphasized the need for China and the United States to seek ways of reaching agreement by conducting their talks on market access on the basis of GATT requirements for developing countries, in accordance with the principle of equality and mutual benefit, and in a spirit of understanding and cooperation. The two sides agreed to hold the next round of talks in Washington in the United States in early April.

Tea Export Chief Views U.S. Import Ban

HK2702012892 Hong Kong SOUTH CHINA
MORNING POST in English 27 Feb 92 p 1

[By Lorna Wong]

[Text] The secretary-general of Beijing's Tea Export Bureau, Mr Tong Jiangnan, yesterday admitted the Red Star tea banned by American customs authorities was harvested by prison labourers.

But he denied the United States import ban would affect China's trade as the tea was intended only for internal consumption.

Mr Tong said all export contracts must be approved by him at the Ministry of Foreign Economic Relations and Trade in China.

"Without my signature, and certificates from the Commodity Inspection Bureau and Customs, nobody can export any tea abroad," he said.

The Bush administration issued an import ban on tea produced by the Red Star Tea Farm in Yingde County of Guangdong on Tuesday [25 February] after three months of dispute over the product.

The crackdown, part of a U.S. effort to press the mainland to improve its human rights conditions, hit the headlines last December during a congressional hearing in Washington.

The row escalated as the U.S. considered putting a blanket ban on all the tea produced in Yingde County at one point, causing an unusual and strong denial from the Bureau of Justice in Guangdong.

The U.S. customs attache in Hong Kong later took a fact-finding trip to China and was guided round the tea farms in the province.

He was persuaded to recommend a ban on Red Star tea but not on other brands.

Mr Tong, who came to Hong Kong to chair the China Tea Trade Fair this week, said Red Star tea was produced by prison labour but was only available for internal consumption.

"We have never bought any tea from prison labour camps, including the Red Star Tea Farm, for export purposes," he said.

"It won't find its way abroad unless it's smuggled," he said.

"Individual tea farms might try to sell their teas to overseas buyers. They might even enter into contracts with them because of their ignorance of export regulations, but without our approval, nobody can export one tea leaf abroad."

China exported 185,000 tonnes of tea last year, of which 20,000 came from Guangdong.

Editorial Commends 1971 Trade Communique

*HK2702044092 Hong Kong WEN WEI PO in Chinese
27 Feb 92 p 2*

[Editorial: "Scrupulously Abide By Shanghai Communique in Developing Sino-U.S. Relations"]

[Text] Twenty years ago today, China and the United States signed the Shanghai Communique, ending a quarter of a century of separation. Joining hands together and conducting exchanges on an equal footing, the two great nations contributed to world peace, which also benefitted both countries.

Time flies and, 20 years later, enormous changes have taken place in the situation. Comparing the situation with that today is quite meaningful. Twenty years ago, China and the United States faced a serious dispute which had existed for a long time—the Taiwan problem, with the U.S. Seventh Fleet deployed around Taiwan creating tension along the Strait. The Taiwan question became the key issue in the normalization of relations between China and the United States. At that time, both countries suffered because of abnormal bilateral relations.

When Richard Nixon visited China in 1972, he told Chinese Premier Zhou Enlai the minute he descended from his plane: "I have come in the interests of the United States." During this historic visit, China and the United States signed the Shanghai Communique which immediately occasioned enormous changes in Sino-U.S. relations. The two countries began to work together, eventually establishing diplomatic relations in 1979. Twenty years after the signing of the Shanghai Communique, China has scored great gains in its pursuit of reform and opening up. Its economic strength has been greatly boosted, enabling it to absorb large amounts of Western industrial facilities and commodities, with an annual import volume of \$60 billion. During those 20 years, Sino-U.S. trade has risen dramatically by 1,100 times and has grown swiftly at an annual rate of 20 percent in recent years. Twenty years after the signing of the Shanghai Communique, the tension in the Korean peninsula and the Indochinese problem mentioned in the communique have been resolved quite satisfactorily. While many factors account for the detente, they certainly include communications, understanding, mediation, and cooperation between China and the United States. Improvement in Sino-U.S. relations made possible the relaxation of tension and conduct of cooperation. Over the past 20 years, both China and the United States have exerted tremendous efforts to relax the tension and have consequently benefitted from the results.

Twenty years have gone by. U.S. troops have left the Taiwan Strait. The Chinese people on both sides of the Strait have begun to carry out frequent contacts and exchanges, while Taiwan businessmen have poured massive investment into the mainland. The communique's statement that "all Chinese people on both sides of the Taiwan Strait maintain that there is only one China and that Taiwan is a part of China. The United States has no objection to this position" has been proved correct by history.

The Shanghai Communique pointed out: "Normalization of relations between the two countries not only complies with the interests of the peoples of China and the United States but also contributes to the relaxation of tension in Asia and the world." This, too, has been proved true.

Today, some differences and conflicts of interest continue to exist between China and the United States, but compared with the difficult situation 20 years ago, today's problems are a lot less serious. Since Nixon had the foresight to seek a resolution of the problems 20 years ago, it will not be too difficult for Bush to iron out the differences between China and the United States today.

To do so, it is necessary to review a paragraph from the Shanghai Communique: "While the social systems and foreign policies of China and the United States are essentially different from one another, the two sides have agreed that state-to-state relations should be conducted

based on the principles of respect for each other's sovereignty and territorial integrity, nonaggression, nonintervention in the internal affairs of other countries, equality and mutual benefit, and peaceful coexistence, regardless of their social systems."

As long as both China and the United States scrupulously abide by the Shanghai Communique, relations between the two countries will flourish while trade, scientific and technical, as well as cultural cooperation, will surge to new levels.

XINHUA Reviews Past Sino-U.S. Communiques

OW2602114092 Beijing XINHUA Domestic Service in Chinese 0653 GMT 26 Feb 92

[Text] Beijing, 26 February (XINHUA)—The date 28 February marks the 20th anniversary of the publication of the Sino-U.S. Shanghai Joint Communique. Following the publication of this joint communique in February 1972, the two countries successively issued a joint communique on establishing diplomatic ties on 16 December 1978 and the "17 August Communique" on 17 August 1982. The three joint communiques are the basis for developing Sino-U.S. relations. The summaries of these three joint communiques are as the following:

The 1972 Sino-U.S. Shanghai Joint Communique

In February 1972, President Nixon visited China at the invitation of Premier Zhou Enlai and issued the Shanghai Joint Communique on 28 February. Both sides stated that there are essential differences between China and the U.S. in their social systems and foreign policies. However, each side agreed that countries, regardless of their social systems, should conduct their relations on the principles of respect for the sovereignty and territorial integrity of all states, non-aggression against other states, non-interference in the internal affairs of other states, equality and mutual benefits, and peaceful coexistence. International disputes should be settled on this basis, without resorting to the use or threat of force. The Chinese side stated: The Government of the People's Republic of China is the sole legal government of China; Taiwan is a province of China which has long been returned to the motherland; the liberation of Taiwan is China's internal affair in which no other country has the right to interfere; and all U.S. forces and military installations must be withdrawn from Taiwan. The U.S. side declared: The U.S. acknowledges that "all Chinese on either side of the Taiwan Strait maintain there is but one China and that Taiwan is a part of China." The U.S. "does not challenge" that position. It affirmed the ultimate objective of the withdrawal of all U.S. forces from Taiwan.

The 1978 Sino-U.S. Joint Communique on the Establishment of Diplomatic Relations

In 1977, U.S. President Carter announced that the Sino-U.S. relations were "a central factor of the U.S. global policies," and stressed that he would realize the

normalization of the Sino-U.S. ties on the principle of "one China" in the Shanghai Communique. Through many negotiations and the joint effort of the both sides, the U.S. side accepted the three principles of "severing diplomatic relations, withdrawing troops, and abrogating the treaty" [with Taiwan] put forward by the Chinese side. The two countries issued the joint communique on the establishment of diplomatic relations and the statements of their respective governments on 16 December 1978.

The Joint Communique declared the establishment of diplomatic relations between China and the United States on 1 January 1979. In the communique, the United States recognized "the Government of the People's Republic of China as the sole legal Government of China," that "there is but one China," and that "Taiwan is part of China." Within that context, the people of the United States would continue to maintain cultural, commercial, and other unofficial relations with the people of Taiwan. Both sides reiterated various principles mutually endorsed in the Shanghai Communique. On 1 March 1979, China and the United States exchanged ambassadors and established embassies in each other's capitals. The Carter Administration announced the severance of "diplomatic relations" with Taiwan on 1 January 1979, the very day on which China and the United States established diplomatic ties; to be followed by complete withdrawal of Americans troops stationed in Taiwan in April the same year and the official termination on 1 January 1980 of the "Mutual Defense Treaty" it signed with Taiwan.

China-U.S. Joint Communique, 17 August 1982

On 17 August 1982, China and the United States issued the "Joint Communique of the People's Republic of China and the United States of America"—referred as the 17 August Communique in short—declaring agreement had been reached between both sides on the gradual reduction of arms sales to Taiwan by the United States, which led to the final resolution of the issue.

The Joint Communique reiterated the fundamental principles guiding Chinese-American relations, confirmed in both the Shanghai Communique and the Joint Communique on the Establishment of Diplomatic Relations between China and the United States. China reiterated that the question of Taiwan was China's internal affair. The United States reiterated that it had no intention of interfering China's internal affairs; that it did not seek to carry out a long-term policy of arms sales to Taiwan; that its arms sales to Taiwan would not exceed, either in qualitative or in quantitative terms, the level of those supplied in recent years since the establishment of diplomatic relations between China and the United States; and that it would gradually reduce its sale of arms to Taiwan, leading, over a period of time, to a final resolution. In a statement issued on the same day as the China-U.S. Joint Communique, the Chinese side pointed out: In compliance with the principles of the Shanghai Communique and the Communique on the

Establishment of Diplomatic Relations between China and the United States, the United States should have thoroughly terminated its arms sales to Taiwan; however, in considering that this is an issue left over by history, the Chinese Government, while upholding the principles, has agreed to settle it step by step. The statement also pointed out: The United States also promised a final resolution of the issue of arms sales to Taiwan after a period of time, which certainly implied that the U.S. arms sales to Taiwan must be completely terminated over a period of time.

Beijing Holds Forum on Shanghai Communique

OW2602133992 Beijing XINHUA Domestic Service
in Chinese 1107 GMT 26 Feb 92

[By reporter Zhou Shuchun (0719 2885 2504)]

[Text] Beijing, 26 February (XINHUA)—On the eve of the 20th anniversary of the publication of the Sino-U.S. Shanghai Communique, a number of Chinese celebrities today spoke highly of this historic document, and expressed their hope of improving and developing Sino-U.S. relations on the basis of the spirit of this communique.

The Chinese People's Institute of Foreign Affairs, the Chinese Academy of Social Sciences, and the Chinese People's Association for Friendship With Foreign Countries jointly held a discussion meeting at the Diaoyutai State Guesthouse today to mark the 20th anniversary of the publication of the Shanghai Communique.

Attending the discussion meeting were Rong Yiren, vice chairman of the National People's Congress Standing Committee; Qian Qichen, state councillor and foreign minister; and some 20 Chinese celebrities, who have been engaged in Sino-U.S. exchanges for years, who are currently engaged in the work of Sino-U.S. relations, or who participated in the drafting of the Shanghai Communique and have worked on the study of Sino-U.S. relations. They expressed their views on the significance of the Shanghai Communique, the developments, current situation, and prospects of Sino-U.S. relations. Liu Shuqing, president of the Chinese People's Institute of Foreign Affairs, chaired the meeting.

Those in attendance at the meeting maintained that when U.S. President Nixon visited China in 1972, accompanied by Dr. Henry Kissinger, the Sino-U.S. joint communique issued in Shanghai was pioneering work in the relations between the two countries in history, as well as an example of the high-level integration of principles with flexibility in China's diplomacy. In the communique, both sides expounded their respective views and stands. They stated their differences as well as their common points. This is unprecedented in terms of diplomatic documentation.

They pointed out: The publication of the Shanghai Communique has not only opened up the door for friendly exchanges between China and the U.S., but has

also exerted a significant and positive influence on the peace and stability of the Asia-Pacific region and on the sound development of the international situation.

Participants at the forum pointed out that the incorporation of the contents of the Five Principles of Peaceful Coexistence into the Shanghai Communique at that time, had a very profound significance, and reflected the foresight and sagacity of leaders of the two countries. Practice proved that despite essential differences between China and the United States in their social systems and foreign policies, so long as they scrupulously abide by the five principles, relations between the two countries would be able to develop smoothly; otherwise, relations between the two countries would suffer setbacks. Reviewing this stipulation at the present moment, when the international situation is changeable and Sino-U.S. relations are facing difficulties, has great practical significance. At present, the Shanghai Communique and the subsequent Joint Communique of the Establishment of Diplomatic Relations and "17 August" Communique still remain as guiding documents for developing Sino-U.S. relations.

Participants at the meeting held that the development of the Sino-U.S. relations in the past 20 years has been based on the wide-ranging common interests of the two sides. They hope that the two sides will proceed from the long-term interests of the people of the two countries to abide by the principles set out in the three communiqués, and work hard to overcome present difficulties so as to promote further improvement and development of Sino-U.S. relations.

They also said that there is great potential and good prospects for China and the United States to develop economic, trade, and technological cooperation, as their economies are highly complementary. What is important, however, is that they must adhere to the principle of equality and mutual benefit.

Also attending the forum were Xiong Xianghui, Standing Committee member of the National Committee of the Chinese People's Political Consultative Conference; Han Xu, president of the Chinese People's Association for Friendship with Foreign Countries; Xu Xin, deputy chief of General Staff of the People's Liberation Army and director of the Beijing Institute for International Strategic Studies; Liu Huaqiu, vice minister of the Ministry of Foreign Affairs; Wu Yi, vice minister of the Ministry of Foreign Economic Relations and Trade; as well as scholars and responsible persons of the Office of Foreign Affairs and Information Office of the State Council, the China Association for International Friendly Contacts, the China Council for the Promotion of International Trade, the International Studies Center of China, the China Institute of International Issues, the Institute of Contemporary International Relations. Some veteran diplomats and former envoys to the United States also attended the forum.

U.S. Arms Sales Over \$35 billion This Year

*OW2702060992 Beijing XINHUA in English
0458 GMT 27 Feb 92*

[Text] Washington, February 26 (XINHUA)—The U.S. Administration is planning to sell 35 billion dollars in arms this year to foreign countries, most of them in the Middle East, according to U.S. informed sources.

On a classified list of foreign arms sales that the administration has notified the Congress, the United States is to sell 72 F-15 fighters, worth 5 billion dollars, to Saudi Arabia and Patriot missiles, worth 7 billion dollars, to Kuwait, the United Arab Emirates and Bahrain, said the sources, on the condition of not being identified.

On the so-called "wish list," the United States is also to sell 4 billion dollars of weapons to Turkey, 3 billion dollars of material associated with construction of aircraft bases to Egypt, 1.7 billion dollars of M1A1 Abrams tanks to the United Arab Emirates, 1.1 billion dollars of military equipment to South Korea, 600 million dollars of helicopters to Saudi Arabia, 500 million dollars of military supplies to Israel.

Most U.S. arms sales need congressional approval. If a potential sale does not arouse resistance in the congress it usually is formally submitted subsequently for approval.

On the other hand, if an arms deal turns out to be highly controversial in the Congress it sometimes is pulled back.

Last November, the U.S. Administration shelved a similar request from Saudi Arabia rather than risk a fight with members of the Congress who are protective of Israel's security.

But now, the prospects for congressional approval of the Saudi purchase may be brighter. The U.S. arms industry is lobbying hard, arguing foreign weapons sales could protect U.S. jobs.

U.S. Selling Missiles to Three Gulf Countries

*OW2602235492 Beijing XINHUA in English
2231 GMT 26 Feb 92*

[Excerpt] Washington, February 26 (XINHUA)—The U.S. Administration has notified the Congress it is planning to sell Patriot missile systems, worth 7 billion dollars, to three Gulf countries, U.S. informed sources said today.

The air-defense systems were on a classified list of foreign arms sales that would require congressional approval to be completed, the sources said, on the condition of not being identified.

The three proposed recipients are Kuwait, the United Arab Emirates and Bahrain.

Meanwhile, Saudi Arabia is also on the so-called "wish list" to receive 72 F-15 fighters, worth 5 billion dollars. Saudi Arabia has already purchased 14.8 billion dollars worth of U.S. arms since August 1990 when Iraq invaded Kuwait. [passage omitted]

XINHUA Correction to 'Some Progress' With U.S.

WA27020161292

Beijing XINHUA in English supplies the following correction to the item headlined "Spokesman: 'Some Progress' With U.S. in Talks," published in the 26 February China DAILY REPORT, page 7:

Column one, paragraph nine, only sentence make read: ...Monday in Beijing.

Both sides clarified their own positions and made some progress on certain specific questions...(rewording)

Correction to Sino-U.S. Trade Relations Reviewed

WA27020163592

The following correction pertains to the item headlined "Sino-U.S. Relations Reviewed," published in the 26 February China DAILY REPORT, page 5: Page 6, column one, first partial paragraph, fourth full sentence, make read: ...management procedures on exports to China...(changing wording)

Central Eurasia

CIS Chief of Staff Arrives on Six-Day Visit

Welcomed by PLA Counterpart

*OW2602134492 Beijing XINHUA in English
1317 GMT 26 Feb 92*

[Text] Beijing, February 26 (XINHUA)—General Viktor Samsonov, chief of General Staff of the United Armed Forces of the Commonwealth of Independent States (CIS), arrived here today for a six-day visit.

General Chi Haotian, chief of General Staff of Chinese People's Liberation Army (PLA), held a welcome ceremony for Samsonov after his arrival, at which Samsonov reviewed a guard of honor of the three services of the PLA.

Samsonov is here at the invitation of Chi Haotian.

In the evening, Chi hosted a dinner at the Great Hall of the People in honor of Samsonov and his party.

Received by Jiang Zemin

*OW2702103592 Beijing XINHUA in English
1023 GMT 27 Feb 92*

[Text] Beijing, February 27 (XINHUA)—Chinese Communist Party (CPC) General Secretary Jiang Zemin met with General Viktor Samsonov, chief of General Staff of

the United Armed Forces of the Commonwealth of Independent States (CIS), here this afternoon.

Samsonov and his party arrived here yesterday for a six-day visit.

During the meeting, Jiang, also chairman of the Central Military Commission, extended a welcome to Samsonov and his party.

Jiang said that to develop China's friendly relations with the people and the Armed Forces of the CIS accords with the fundamental interests of the people of China and all the states of the CIS.

In dealing with state-to-state relations, Jiang said, China's policy is to develop friendly co-operative relations with all countries on the basis of the five principles of peaceful co-existence, adding that the most important point is non-interference in each other's internal affairs.

Samsonov thanked the Chinese side for their gracious hospitality. He said the purpose of the visit is to look around in China to learn more about the country.

"We have seen that China is firmly sticking to its reform and open policy," he said. "China is enjoying political stability and remarkable economic growth, which have impressed us deeply," he added.

During the meeting, Samsonov briefed Jiang on the current situation of the CIS.

Chi Haotian, chief of General Staff of the Chinese People's Liberation Army, and Deputy Chief Xu Xin were present at the meeting.

Samsonov, Qin Jiwei Meet

*OW2702115592 Beijing XINHUA in English
1147 GMT 27 Feb 92*

[Text] Beijing, February 27 (XINHUA)—General Qin Jiwei, Chinese state councillor and minister of national defense, met and had a friendly conversation with General Viktor Samsonov, chief of General Staff of the United Armed Forces of the Commonwealth of Independent States (CIS), here this evening.

Chi Haotian, chief of General Staff of the Chinese People's Liberation Army, and Deputy Chief Xu Xin were present at the meeting.

Commentary Views Border Agreement

*OW2702021892 Moscow Radio Moscow
in Mandarin 1000 GMT 26 Feb 92*

[Commentary by Kondratyev on normalizing the situation along the Russian-Chinese border; from the "News in Brief on Good-Neighborly Contacts" program—read by announcer]

[Text] The meeting held by the Standing Committee of the National People's Congress of China on 25 February ratified the Chinese-Russian agreement regarding the

eastern section of their border. Earlier the Russian parliament had also ratified the agreement. The following is a talk by station commentator Kondratyev on the normalization of the situation along the Russian-Chinese border.

The agreement between China and the former Soviet Union regarding the eastern section of their border was signed in Moscow in May 1991. Several talks had been held, and considerable arduous work concerning border delimitation and demarcation had been conducted prior to the signing. The two countries are mainly separated by natural borders and rivers. I do not wish to dwell here on the details of the agreement; I only want to emphasize the importance of normalizing the situation along the Russian-Chinese border because, before the former Soviet Union and China normalized relations in 1989, the danger of military action along the border of these two neighboring nuclear superpowers posed a threat not only to our own countries but also the world. It is precisely for this reason that the two countries began their talks on border delimitation and demarcation, on mutual reduction of troops, and on confidence-building measures along the border. Today we may point out with satisfaction that the five rounds of talks have achieved certain success. The armies and air forces deployed in the border areas have been gradually reduced, and both sides have agreed to include reduction of the strategic rocket units, air defense forces, and navies in the general agreement on easing tension in the border areas which is to be entered into in the future, though these branches of the armed services are not an integral part of the military confrontation in Europe [as received].

In a word, though military tension in the border areas has greatly eased, the crucial point for normalizing the situation in the border areas quite obviously is the issue of border delimitation and demarcation. Ratification of the agreement regarding the eastern section of the border shows both Russia and China admit the agreement conforms to recognized norms of international law. Meanwhile, they also emphatically point out that the agreement created a favorable condition for promoting stability in the border areas as well as normalization of relations between the two countries. Therefore, we have every reason to believe the agreement will take effect very soon.

Qian Qichen Meets Moscow Delegation

*OW2702095892 Beijing XINHUA in English
0948 GMT 27 Feb 92*

[Text] Beijing, February 27 (XINHUA)—Chinese State Councillor and Foreign Minister Qian Qichen met a delegation of the Foreign Policy Association (Moscow) here this morning.

Qian also gave an interview to H.B. Tavrovsky, editor-in-chief of the magazine VESTNIK and member of the delegation, and answered his questions on China's foreign policy and the international situation.

The delegation came here at the invitation of the Chinese People's Institute of Foreign Affairs.

XINHUA Notes Russia Selling Black Sea Fleet

*OW2702120292 Beijing XINHUA in English
1113 GMT 27 Feb 92*

[Text] Moscow, February 27 (XINHUA)—The Black Sea Fleet of the former Soviet Union sold nine retired warships with total tonnage of 18,500 tons in 1991, Deputy Commander of the Fleet L. Vasilyev said today.

Vasilyev, in an article published in RED STAR, said that last year, an old cruiser "Zhdanov" was sold to a British company for 2.142 million U.S. dollars, four old escort vessels to Turkish companies, two submarines and one missile fleet to Italian companies and one submarine to a domestic company.

The contracts on selling the warships were signed in the name of the Soviet Union in 1991. All earnings were entered up in the account book of the Soviet Defense Ministry, the deputy commander said.

He said the problem on how to deal with the warships and auxiliary vessels retired in 1992 will be decided by the summit of the Commonwealth of Independent States.

Vasilyev published the article obviously in response to the recent accusations that leaders of the Black Sea Fleet, while professing unity of the fleet, have actually sold tens of the fleet vessels secretly.

Russia, India Agree To Continue Trade

*OW2602071292 Beijing XINHUA in English
0641 GMT 26 Feb 92*

[Text] New Delhi, February 26 (XINHUA)—Russia has agreed to supply 4 million tons of crude and 1.1 million tons of petroleum products to India in 1992 under the new trade protocol concluded last week.

The quantum of imports agreed upon are 1.6 million tons lower than those in the agreement with the erstwhile Soviet Union last year, but are higher than the actual supplies made in 1991.

Indian official sources made the statement while giving details of the protocol Tuesday, THE OBSERVER OF BUSINESS AND POLITICS reported today.

The first ever trade protocol between India and Russia was signed here on February 22, envisaging two-way trade of about 75 billion rupees (2.94 billion U.S. dollars) for 1992.

Both sides also agreed to continue with the Indian rupee trade during 1992 as a transitional arrangement.

The sources said that Russia's exports to India are valued at 1.1 billion U.S. dollars, the bulk of which are crude, diesel and kerosene, valued at 650 million U.S. dollars.

India's exports include tea, coffee, black pepper, soybean extraction, tobacco and raw materials for production of medicines.

Kazakhstan's Tereshchenko Continues Official Visit

Received by Jiang Zemin

*OW2602181192 Beijing XINHUA Domestic Service
in Chinese 1144 GMT 26 Feb 92*

[By reporters Feng Xiuju (7458 4423 5468) and Ding Qilin (0002 0366 2651)]

[Text] Beijing, 26 February (XINHUA)—Jiang Zemin, general secretary of the CPC Central Committee, had a cordial meeting with Kazakhstan Prime Minister Sergey Tereshchenko and his party in Zhongnanhai this afternoon.

Welcoming the visiting prime minister, Jiang Zemin said: China and Kazakhstan established ambassadorial-level diplomatic relations early this year. China and Kazakhstan have been traditionally friendly to one another. I had friendly conversations with President Nazarbayev when he visited Beijing last year.

Jiang Zemin briefed the visitors on China's reforms. He said: The Third Plenary Session of the 11th CPC Central Committee set the basic line characterized by one center and two basic points—a line initiated by Comrade Deng Xiaoping. The objective of this basic line is to build a socialist society with Chinese characteristics.

He said: Since China carried out reforms and opened to the outside world over a decade ago, its outlook has undergone profound changes and its economic strength has increased substantially. Our experiences show that political stability is very essential for a stronger economy.

Jiang Zemin said: China is a unified, multinational country. Chinese people of all nationalities breathe the same breath and share the same destiny. After liberation, industrial and agricultural production in areas where ethnic minorities live in compact communities has developed significantly and the living standards of people of all nationalities have improved immensely.

He said: The world should be a very colorful place. All countries should choose their own ways of development according to their individual situations and characteristics.

Prime Minister Tereshchenko conveyed President Nazarbayev's regards to General Secretary Jiang Zemin. Tereshchenko also briefed Jiang Zemin on Kazakhstan's domestic situation. He said: After Kazakhstan declared independence in December last year, the PRC was one of the first countries to establish diplomatic ties with Kazakhstan, and Kazakhstan is thankful for this.

Tereshchenko said: Since we are dedicated to economic construction, we are very interested in China's reform experiences.

At the end of the meeting, Jiang Zemin asked Prime Minister Tereshchenko to convey his regards to President Nazarbayev.

Joint Communiqué Signed

OW2602170792 Beijing XINHUA in English
1416 GMT 26 Feb 92

[Text] Beijing, February 26 (XINHUA)—Chinese Premier Li Peng and Kazakhstan premier, Sergey Tereshchenko, signed a joint communiqué here today on behalf of their respective governments.

At the signing ceremony held at the Diaoyutai State Guesthouse, Li said that the signing of the communiqué marks a new stage of bilateral relations.

In addition, Chinese and Kazakhstan officials from relevant departments signed eight documents. They are:

- The minutes of talks between the civil aviation administrations of the two countries;
- The minutes of talks between the office of border port affairs under the Chinese State Council and the Kazakhstan Foreign Ministry on opening border ports;
- The minutes of talks between the two ministries of communications on automobile transportation;
- The minutes of talks between the Chinese Ministry of Railways and the Kazakhstan Ministry of Communications on strengthening co-operation in railway transportation;
- The agreement between the two governments on the passage of citizens between the two countries;
- The agreement on China providing commodity loans to Kazakhstan;
- The agreement between the two governments on establishing a committee of economic, trade, scientific and technological co-operation;
- The agreement between the two governments on opening Chinese-owned stores in Kazakhstan.

After signing the joint communiqué, and exchanging good wishes, Tereshchenko presented Li with an ethnic costume suit of Kazakhstan.

Travel Agreement Signed

OW2602195692 Beijing XINHUA in English
1508 GMT 26 Feb 92

[Text] Beijing, February 26 (XINHUA)—Chinese Vice Foreign Minister Tian Zengpei and Kazakhstan Vice Foreign Minister S.A. Kurmanguzin [name as received] signed an agreement this evening governing travel between the two countries.

The agreement is expected to enhance the development of friendly relations and facilitate travel between the two countries.

According to the agreement, citizens of the two countries who hold diplomatic and service passports or those

holding general passports but on official business are not required to obtain visas when traveling to the other country.

The agreement becomes effective 30 days from today.

Chinese Premier Li Peng and Kazakhstan Premier Tereshchenko attended the signing ceremony.

NPC Vice Chairman Meets Minister

OW2702041792 Beijing XINHUA in English
0308 GMT 27 Feb 92

[Text] Beijing, February 27 (XINHUA)—Seypidin Aze, vice-chairman of the Chinese National People's Congress Standing Committee, met with E. Rakhmadiyev, minister of culture of Kazakhstan, and his party at the Great Hall of the People here today.

During the meeting, they had a friendly conversation.

Invited by acting Minister of Culture He Jingzhi, Yerkegeliy Rakhmadiyev and his party came to China for a visit on February 22.

Tereshchenko Leaves for Dalian

OW2602154792 Beijing XINHUA in English
1455 GMT 26 Feb 92

[Text] Beijing, February 26 (XINHUA)—Kazakhstan Premier Tereshchenko left for Dalian city in northern China by special plane this evening.

Chinese Premier Li Peng gave Tereshchenko a cordial sendoff at the Diaoyutai State Guesthouse.

The two premiers affirmed that a number of co-signed documents attest to the fruits of the visit.

At a press conference held in the Great Hall of the People here this afternoon, Tereshchenko said that cooperation between the two countries is still in initial stages.

He said that the visit to China by President N. Nazarbayev last year and his current visit as well as the economic and trade agreement the two countries have signed give support to rapid and extensive development of relations.

The opening of railroad transportation from Xinjiang to Kazakhstan, Tereshchenko said, will benefit not only the economy of Kazakhstan, but also the economy of various countries in mid-Asia.

He said the opening of this railway will help us develop trade with China.

Northeast Asia

New Law Claims Sovereignty Over Spratly Islands

OW2702134392 Tokyo KYODO in English 1448 GMT
26 Feb 92

[Text] Beijing, Feb. 26 KYODO—A Chinese law on territorial waters issued Wednesday stipulates the Senkaku Islands, known as the Diaoyutai Archipelago in Chinese, as its indigenous territory, reliable Chinese sources said Wednesday.

The law vests the Chinese military with the right to remove by force any incursion on the islands and surrounding territorial waters, the sources said.

The law was promulgated and went into effect Wednesday under the name of Chinese President Yang Shangkun, they said.

In Tokyo, the Japanese Foreign Ministry said it regrets the Chinese action. The ministry said Japan will immediately ask China to drop the new law.

The islands, located in the East China Sea about 150 kilometers northwest of Japan's Yaeyama Archipelago, southwest of Okinawa, was placed under U.S. Administration under the treaty of peace with Japan after World War II.

The islands were returned to Japan by the Okinawa Reversion Agreement of June 1971. Since the late 1960s, China and Taiwan have been claiming sovereignty over the islands, where abundant oil reserves are believed to exist in surrounding waters.

One article of the Chinese territorial waters law stipulates the Senkaku Islands as Chinese territory, while another vests the military with the right to expel by force foreign ships that violate territorial waters around the islands, the sources said.

The law also allows authorities to continue to chase offending ships even in open seas, they said.

Japanese Maritime Safety Agency ships constantly patrol the waters around the islands.

The Chinese sources said heated discussions took place in the National People's Congress between the military, which supported the islands' inclusion in the law, and the Foreign Ministry.

The military said principles must be maintained on problems involving the islands' reversion to China, and accused Japan of breaking a verbal agreement with China and attempting to establish sovereignty, the sources said.

The military said by making clear Beijing's position, China can grasp the initiative in future negotiations with Japan, they said.

The ministry said the islands belong to Taiwan from an historical and geographical point of view, and Beijing should claim sovereignty without stipulating it in a law, because Japanese law does not deal with the islands.

It also said China should not set the stage for a confrontation with Japan over the islands.

China's 1958 statement on territorial waters did not stipulate the islands as its territory, but dealt with it inclusively as "Taiwan and accessory islands."

Foreign Ministry Opposes Law

OW2702055992 Tokyo KYODO in English
0512 GMT 27 Feb 92

[Text] Beijing, Feb. 27 KYODO—The Chinese Foreign Ministry has expressed concern that a new law naming as Chinese territory a chain of disputed islands also claimed by Japan may hamper relations with Tokyo, sources close to the ministry said Thursday.

On Wednesday, reliable sources revealed that a new law, largely backed by the military, named the Diaoyutai Archipelago, called the Senkaku Islands by Japan, as China's indigenous territory and empowered the Chinese Navy to remove by force any incursion on the islands or surrounding territorial waters.

The Japanese Foreign Ministry expressed regret with the new law, which reportedly went into effect Wednesday night, and said it would ask Beijing to repeal the measure.

The islands are located in the East China Sea about 150 kilometers northwest of Japan's Yaeyama Archipelago, southwest of Okinawa, and are claimed by Taiwan and China.

On Thursday, sources close to the Chinese Foreign Ministry indicated the ministry and military hold sharply differing opinions on the new law.

According to the Foreign Ministry sources, the draft of the territorial waters law did not identify the Diaoyutai Archipelago as sovereign Chinese territory, but instead mentioned "Taiwan and other affiliated islands."

The draft was sent to the Legal Committee of the National People's Congress last October, where the opinions of central government leaders, bureaucrats, and local officials were heard, the sources said. They added that a round table discussion was held in November.

At that time, the general headquarters of the military, the Navy, the Guangzhou Military Region, as well as conservatives from Shanxi and Hainan Provinces, stressed that China could not overlook the fact that Japan had broken its verbal agreements and was in fact dominating the islands, the sources said.

The military and conservatives also insisted the law would give the initiative to China in future negotiations

over the islands and underlined the importance of the islands strategically and economically, the sources said.

The Foreign Ministry countered, however, that it would be to China's disadvantage internationally to bring out this dispute with Japan at this time and that it should avoid diplomatic friction, the sources said.

Ministry officials added that Chinese leaders had indicated that Beijing would shelve the sovereignty issue and offered as a compromise for the passage in question "mainland China and all islands affiliated with China," the sources said.

This was firmly opposed by the military and conservatives, the sources said.

The Chinese Foreign Ministry also expressed its concern that the new law would inevitably lead to a rift in good relations with Japan, according to the sources.

Ministry officials stressed that this year marks the 20th anniversary of restored relations between Beijing and Tokyo and government opinion should be unified in view of a planned trip to Japan this year by Communist Party chief Jiang Zemin and a proposed visit to China by Emperor Akihito.

Japanese Embassy Protests Law

HK2702110292 Hong Kong AFP in English
1014 GMT 27 Feb 92

[Text] Beijing, Feb 27 (AFP)—A territorial dispute between China and Japan threatened to escalate Thursday as both sides stood firm on their claims to a group of islands in the East China Sea.

The lingering dispute was rekindled by the passage of a territorial waters law by the Chinese parliament Tuesday claiming the islands as Chinese land and reserving the right to use military force to defend the area.

The Japanese Embassy here protested the move Wednesday and demanded that China "correct the matter." In Tokyo, Japanese Chief Cabinet Secretary Koichi Kato said Thursday that "Japan cannot accept China's claim."

But the Chinese Foreign Ministry dismissed the Japanese protests, saying its sovereignty over the islands was "undisputable."

"The representations made by the Japanese side are unnecessary," ministry spokesman Wu Jianmin told reporters here Thursday.

The islands, located in the East China Sea northeast of Taiwan and southwest of Okinawa, were placed under U.S. administration after World War II.

Known as Diaoyutai in Chinese and Senkaku in Japanese, the islands were returned to Japan in 1971, but China and Taiwan have claimed them since the early 1960s.

Last year China and Taiwan protested the building of a lighthouse on the islands, which are believed to be rich in oil.

Both sides played down the dispute Thursday, saying it would not affect a scheduled April trip to Tokyo by Chinese Communist Party General Secretary Jiang Zemin, who was to iron out details of a visit here later this year by Japanese Emperor Akihito.

China and Japan mark the 20th anniversary of bilateral relations this year and have planned increased activities and exchanges.

Kato said he did not think China would use force to implement its claim to the islands.

Meanwhile, Japanese Prime Minister Kiichi Miyazawa told reporters in Tokyo that in 1978 China's paramount leader Deng Xiaoping pledged not to allow the dispute to become a major obstacle to bilateral relations.

The Japanese Embassy said in its protest that "it is without doubt that the Senkaku islands are our own territory," and like China, it cited international law and historical records.

"A great amount of historical facts has proved that the Diaoyutai islands belong to China," the Chinese spokesman said. "At the same time from the angle of international law this position of China is also undisputable."

"Therefore, China's reiteration of this position in the law on the territorial sea of the People's Republic of China is also irreproachable," he added.

Despite increasing economic contacts, bilateral relations are still dogged by memories of Japanese atrocities committed during their occupation of China during World War II.

China and Japan are also currently negotiating the removal of chemical weapons buried by fleeing Japanese troops in northern China. The weapons have leaked and harmed hundreds of Chinese.

Both governments have agreed to suppress all information on the talks, fearing that it could affect ties, informed sources here say.

Official Addresses Sino-Japanese Trade Meeting

OW2702115492 Beijing XINHUA in English
1034 GMT 27 Feb 92

[Text] Guangzhou, February 27 (XINHUA)—A senior Chinese trade official said here today that China and Japan made new progress in their economic relations and trade in 1991 and their cooperation has benefited sides.

Addressing a Japan-China trade coordination meeting which opened today, Wang Wendong, vice-minister of foreign economic relations and trade, expressed the hope

that the economic relations and trade between the two countries would further develop.

Wang said the volume of Sino-Japanese trade exceeded 20 billion U.S. dollars last year, setting a record. China's exports to Japan continued to grow while the downward trend of import of technology and equipment from Japan was reversed. China's exports by foreign-funded enterprises registered a rapid growth.

Japan's direct investment in China also set a record thanks to the resumption of the Japanese loans and other financial cooperation projects.

Wang pointed out that since the founding of the Sino-Japanese Trade Consultative Association and the China-Japan Economic Relations and Trade Coordination Association in 1986, the two organizations have improved cooperation and promoted China's exports to Japan to balance the bilateral trade.

A Japanese delegation headed by Ryoichi Kawai, president of the Sino-Japanese Trade Consultative Association, attended today's meeting.

Southeast Asia & Pacific

President Suharto Welcomes Bilateral Cooperation

OW2602124592 Beijing XINHUA in English
1228 GMT 26 Feb 92

[Text] Jakarta, February 26 (XINHUA)—Indonesian President Suharto expressed satisfaction with the developing cooperation on information between China and Indonesia.

When meeting Chinese Minister of Radio, Film and Television Ai Zhisheng here today, the president further said that Indonesia and China could develop cooperation in various fields.

Present on the occasion were Indonesian Minister of Information Harmoko and Chinese Ambassador to Indonesia Qian Yongnian.

After his meeting with President Suharto, Minister Ai Zhisheng told reporters here that his ministry is scheduled to send TV teams to Indonesia to shoot TV programs which can be broadcasted in China.

His ministry also welcomes Indonesian TV stations to send journalist teams to visit China, the minister said.

Leading a 7-member delegation, Ai Zhisheng started a week-long official visit to Indonesia on February 23 at the invitation of Minister Harmoko. During the visit, the two ministers held talks, and signed the memorandum of understanding on information cooperation on behalf of their respective governments.

The Chinese delegation will leave here late today for central Java, Bali and other places to continue its visit. It will leave Indonesia for Thailand on February 29.

'Roundup' Views Improved Thai-Lao Ties

OW2002073892 Beijing XINHUA in English
0718 GMT 20 Feb 92

["Roundup" by Qi Deliang: "Thai-Lao Ties Are at New Heights"]

[Text] Bangkok, February 20 (XINHUA)—The on-going visit to Thailand by Lao Prime Minister Khamtai Siphandon has so far produced very satisfactory results, making the two countries' ties to reach their zenith in all aspects.

The successful visit has been reflected by the signing here Wednesday of the treaty of friendship and cooperation between the two countries, which has been regarded as a historical event of the two countries' relations.

Although details of the treaty has not yet been disclosed, political observers and foreign diplomats here said the treaty will lay the foundation for the relations of the two countries for the next generations to come and boost Thai-Lao friendship and multi-faced cooperations.

Wednesday's talks between Khamtai and his Thai counterpart Anan Panyarachun also produced positive results. The two leaders touched upon the international, regional and bilateral issues, reaching identical views on all matters they discussed.

On the Cambodian issue, the two leaders agreed that the Paris peace agreement on Cambodia has brought a new era of peace and cooperation between countries in the region which would enable the Cambodians to exercise their rights to self-determination and the national reconciliation policy under the Supreme National Council.

The two leaders also called for the earliest stationing of the United Nations Transitional Authority in Cambodia to ensure the progress of the Cambodian peace process.

On bilateral trade relations, Thailand has agreed to reduce the tariff on four different kinds of processed wood products from Laos while Laos agreed to build more power plants to increase electricity export to Thailand.

The two leaders also agreed to take measures to increase the border trade between the two countries and Thailand promised to provide more technical aid to Laos in developing its tourism industry.

Thailand and Laos completed a troop pullout from all disputed areas along their common border in March last year. Since then, economic cooperation between the two countries has been increased with Thailand offering scholarships and technical trainings for both Laotian officials and students to help the nation develop its economy.

So far, Thailand has provided over 50 million baht (2 million U.S. dollars) worth of aids [as received] to the landlocked country.

Near East & South Asia

Envoys Oppose 'Compulsory Measures' Against Libya*LD2602/52892 Tripoli JANA in Arabic 1400 GMT
26 Feb 92*

[Text] Beijing, 26 Feb (JANA)—Chinese officials have emphasized their opposition to any compulsory measures which might be adopted against the Great Jamahiriyyah. During their meeting with the Arab parliamentary delegation currently visiting Beijing, the officials explained that the Chinese stand is firm on the two incidents involving the U.S. and French airliners, calling for solving that issue by peaceful means. The Chinese officials also emphasized that the PRC is eager to consolidate friendship and cooperation between the Chinese people and the Arab nation.

Government, Bahrain Sign Document on Exchanges*OW2602125792 Beijing XINHUA in English
1057 GMT 26 Feb 92*

[Text] Beijing, February 26 (XINHUA)—A summary of talks on cultural exchanges between the Governments of China and Bahrain was signed here today by Chinese Vice Minister of Culture Liu Deyou and visiting Bahrain Minister of Information Tariq 'Abd-al-Rahman al-Mu'ayyad.

The document stipulates the items of exchanges between the two countries in culture and art, information, education, sports and youth from 1992 to 1994.

After attending the signing ceremony, Sun Qimeng, vice-chairman of the Standing Committee of China's National People's Congress, met with a cultural delegation of the Bahrain Government led by Minister Tariq 'Abd-al-Rahman al-Mu'ayyad.

Both Sun Qimeng and Tariq 'Abd-al-Rahman al-Mu'ayyad expressed their satisfaction over the smooth development of cooperation between the two countries since they established diplomatic relations in 1989. The Bahrain minister said that his country appreciates China's policy of opening to the outside world and its prime minister will visit China in the near future.

The delegation is to leave Beijing for Shanghai tomorrow before the conclusion of its visit to China.

State Councillor Li Tieying Arrives in India*OW2702030092 Beijing XINHUA in English
0220 GMT 27 Feb 92*

[Text] New Delhi, February 27 (XINHUA)—Chinese State Councillor and Minister in Charge of the State Education Commission Li Tieying arrived here early this morning for a five-day visit at the invitation of his Indian counterpart Arjun Singh.

During his visit, a protocol on cooperation in education for 1992-93 will be signed between the two countries.

Li and his delegation will also hold discussions with the Indian side on ways to improve cooperation in education.

He is expected to meet Indian Prime Minister P.V. Narasimha Rao and visit local schools, institutes and universities.

He is scheduled to fly to Colombo for a visit later.

Egypt's Council Speaker Praises Economic Reform*OW2502223492 Beijing XINHUA in English
2041 GMT 25 Feb 92*

[Text] Cairo, February 25 (XINHUA)—Mustafa Kamal Hilmi, speaker of the Egyptian Consultative (Shura) Council, said today that China has achieved real, great progress in various fields, particularly since its introduction of economic reform more than ten years ago.

In a statement on his impressions on a just-concluded visit to China, Hilmi said, "I have had the chance of visiting China in 1963, but what I did see this time demonstrated a big stride of progress in the agricultural, industrial, scientific and technological fields."

He said he delivered during the week-long visit, which ended Monday, two letters from Egyptian President Husni Mubarak, one to Chinese President Yang Shangkun, and the other to Premier Li Peng when meeting separately with them.

On the Middle East peace process, Hilmi told XINHUA there was complete identity of views between China and Egypt regarding the necessity of implementing Security Council Resolutions 242 and 338, which urge Israel to unconditionally withdraw from occupied Arab territories, and the right of the Palestinian people to self-determination and the establishment of the system they wanted on their own land.

He also said that Egypt and China were in full accord on the elimination of mass destruction weapons in the Middle East region, including nuclear and chemical arms.

Concluding his statement, Hilmi said that during the visit, agreement was reached on enhancing cooperation between the two countries in the various economic, industrial, agricultural, energy, scientific and technological fields.

East Europe

Slovenian Foreign Minister Ends Beijing Visit*LD2602065992 Ljubljana Radio Slovenia Network
in Slovene 2100 GMT 25 Feb 92*

[Text] Slovenian Foreign Minister Dr. Dimitrij Rupel has ended his two-day visit to the PRC and left Beijing for Japan. Today—the second day of his visit to Beijing—Minister Rupel met the PRC foreign trade minister and the chairman of the association for relations

with foreign countries. During Rupel's visit to Beijing, PRC Foreign Minister Qian Qichen told him that the PRC will recognize Slovenia when the time is right and that Beijing will respect the will of the majority of Security Council members on Slovenia's admission to international institutions. The Slovenian foreign minister will hold talks in Tokyo on economic cooperation between Japan and Slovenia and on Slovenia's recognition.

XINHUA on UN Troop Deployments in Yugoslavia

*OW2602080892 Beijing XINHUA Domestic Service
in Chinese 0847 GMT 24 Feb 92*

["News Analysis: Why Did Yugoslavia Ask the UN To Send Peace-Keeping Troops?"; by XINHUA reporter Xu Kunming (1776 0981 2494—XINHUA headline)]

[Text] Beijing, 24 February (XINHUA)—At a late night session on 21 February, the United Nations Security Council [UNSC] decided to send approximately 14,000 peace-keeping troops to Yugoslavia. The UN peace-keeping troops will be deployed in three Serbian populated regions within the Republic of Croatia. It was initially decided that the troops would be deployed there for one year and that the Security Council would have the power to extend or shorten this period. A budget of \$634 million is needed for the first year.

Since the "independence" wave swept across Slovenia and Croatia last summer, Yugoslavia has been engulfed in large-scale armed conflicts. Fighting has been extremely fierce, especially in Serbian populated regions in Croatia, causing heavy losses. This civil war—the largest in Europe since World War II—so far has killed 15,000 people, has wounded 100,000 more, and has created 700,000 refugees. The war has ruined countless buildings and has resulted in tens of billions of dollars in material losses. To make things even worse, the civil war in Yugoslavia has threatened stability and security of the Balkans and Europe.

With the escalation of the civil war, Yugoslavia as a federal country has fallen deeper and deeper into a state of separatism and disintegration. In the wake of the declaration of independence by Slovenia and Croatia, the Republics of Macedonia and Bosnia-Herzegovina have also declared themselves "sovereign states" and have demanded that the European Community [EC] recognize their independence. The four republics have, one after another, withdrawn, in varying degrees, their representatives from the leadership structures of the federation, practically taking away the broad representation from the federal presidency, parliament, and government. In other words, the Federal Republic of Yugoslavia no longer has an authoritative organ capable of effectively resolving disputes between various republics.

The civil war in Yugoslavia has long caused concern in the international community. Since the conflict began, the EC has sent several high-ranking delegations to Yugoslavia to mediate. Through this mediation, the

conflicting parties have reached cease-fire agreements on many occasions; however, more often than not, war has broken out again before the ink on the agreement had a chance to dry. Even a helicopter carrying EC cease-fire observers was shot down, resulting in five deaths. Later, when the EC decided to impose economic sanctions against Serbia and took the lead in recognizing Slovenia and Croatia, it became difficult for the EC to play a mediator's role in Yugoslavia.

Under these circumstances, some Yugoslavian leaders began to place their hope of restoring peace on the UN. In September 1991, Stjepan Mesic (Croatian representative), then Yugoslav president, first asked the United Nations to station peace-keeping troops along the borders between Croatia and Serbia. On 9 November, Branko Kostic (Herzegovina representative), vice president of Yugoslavia, also sent a message to the UNSC, asking the UN to deploy its peace-keeping troops along the military demarcation line within the boundary of Croatia. To find out whether it was necessary and feasible to station peace-keeping troops in Yugoslavia, the UN Secretary General's Special Envoy Cyrus Vance and United Nations Under Secretary General Marrack Goulding went to Yugoslavia several times and held talks with the conflicting parties. On 2 January this year, thanks to their mediation, the conflicting parties finally reached their 15th cease-fire agreement and accepted the specific plan of deploying UN peace-keeping troops in Serbian-populated areas within the boundary of Croatia.

For more than a month, large-scale armed conflicts have ceased in the Croatian battleground, but sporadic fighting still took place from time to time. The sharp ethnic disputes between Serbia and Croatia were particularly worrisome. Serbians in Croatia demanded separation from Croatia, while the Croatian authorities indicated their intention to "recover" one third of the "occupied" territory (referring to the Serbian populated area) at all costs. At the same time, within the boundary of the Republic of Bosnia-Herzegovina, which is home to several ethnic groups, relations between Serbians, Croats, and Muslims are extremely tense and volatile. Precisely with this in mind, the Yugoslavian Government recently warned that, if the UN did not send peace-keeping troops to the country as soon as possible, civil war might break out again and spread from Croatia to Bosnia-Herzegovina and other republics.

The UNSC resolution on sending peace-keeping troops to Yugoslavia has brought hope to the efforts of ending the civil war and peacefully settling the crisis. In view of the sharp ethnic contradictions and complicated territorial disputes, however, each conflicting party has its own plan for the peace-keeping troops. It seems that the peace-keeping troops may encounter problems and obstacles of all kinds in their efforts to maintain peace in Yugoslavia.

Croatia Protests Baker's Comments on Yugoslavia*OW2702083492 Beijing XINHUA in English
0736 GMT 27 Feb 92*

[Text] Belgrade, February 26 (XINHUA)—Croatian Vice Prime Minister Milan Ramljak today accused U.S. Secretary of State James Baker of not speaking in a way conducive to resolving the Yugoslav crisis.

Ramljak said in a press conference today that Croatia did not use military forces in seeking a political solution to the problem.

According to the Yugoslav news agency TANJUG, Baker had said that the United States had difficulty recognizing Croatia and Slovenia as sovereign countries, because they used force to realize their independence.

Croatian radio said in a special commentary this evening that Slovenia and Croatia, instead of using force themselves, were actually its victims.

The commentary said Baker forgot that it was not Slovenia or Croatia but Serbia that claimed border changes.

Latin America & Caribbean**Ecuadoran Parliamentary Delegation Visits Beijing****NPC Vice Chairman Holds Banquet***OW2502140392 Beijing XINHUA in English
1133 GMT 25 Feb 92*

[Text] Beijing, February 25 (XINHUA)—Wang Hanbin, vice-chairman of China's National People's Congress (NPC) Standing Committee, met with a delegation from the Ecuadoran parliament here this evening.

The delegation, led by representative of the parliament Dr. Antonio Andrade Fajardo, arrived here February 24 at the invitation of the NPC Standing Committee.

After the meeting, Wang presided over a banquet in honor of the delegation.

Earlier today, Song Rufen, member of the NPC Standing Committee, held talks with Dr. Fajardo and his party.

Meets Vice Premier Tian Jiyun*OW2602125492 Beijing XINHUA in English
1047 GMT 26 Feb 92*

[Text] Beijing, February 26 (XINHUA)—Chinese Vice-Premier Tian Jiyun met with a delegation from the Ecuadoran Parliament at the Great Hall of the People here this afternoon.

The delegation, led by representative of the parliament Dr. Antonio Andrade Fajardo, has been invited by China's National People's Congress Standing Committee.

Meets Vice Foreign Minister Liu*OW2702041692 Beijing XINHUA in English
0313 GMT 27 Feb 92*

[Text] Beijing, February 27 (XINHUA)—Chinese Vice-Foreign Minister Liu Huaqiu met with a delegation from the Ecuadoran parliament here this morning.

The delegation, led by representative of the parliament Dr. Antonio Andrade Fajardo, has been invited by China's National People's Congress Standing Committee.

'Analysis' Views Venezuelan Post-Coup Situation*OW2602003892 Beijing XINHUA in English
2354 GMT 25 Feb 92*

["News Analysis: Turbulent Situation in Post-Coup Venezuela (by Hu Jikang)"]—XINHUA headline]

[Text] Caracas, February 25 (XINHUA)—The political situation in Venezuela remains turbulent 20 days after the failed coup led by a group of young officers.

Immediately after the aborted coup of February 4, many politicians asked the government of President Carlos Andres Perez to review its policies and reevaluate its controversial "economic package."

Although President Perez has made assurances that he is not going to modify the present economic program, he wants to bring new faces into his cabinet so as to save face for his government.

To soothe popular resentment, he has abandoned Minister of Coordination and Planning Miguel Rodriguez, a mastermind of the "economic package." However, he has not completely forgotten Rodriguez's past efforts and has put him at the head of the central bank.

Perez is keeping in constant touch with the leaders of both ruling and opposition parties in order to forge a coalition government. However, his efforts have not succeeded and his cabinet reshuffle has become a very difficult job.

The Social Christian Party, the main opposition party, indicates that it has no intention of joining the present government. Another opposition party, the Movement Toward Socialism, is not interested in the government either.

President Perez has therefore had to continue his efforts to find new members of the cabinet, while at the same time he has to tackle the government's corruption as well.

When writer Arturo Usler Pietri denounced the corruption of government officials before President Perez himself, the president promised to make a thorough investigation of the case.

On Monday, Uslar Pietri presented to the supreme court an appeal signed by 5,000 people demanding the resignation of all magistrates who are much too soft to punish corrupt officials.

The Congress composition is no easy job either.

The ruling Democratic Action Party has nominated Morales Bello as president of the Congress, but he has been rejected by the two principal opposition parties, the Social Christian Party and the Movement Toward Socialism.

Seeing that the partisan leaders are unable to solve the existing government crisis, Senator Jose Marsicobetre of the Independent Popular Force Party has resigned as the second vice-president of the senate.

One of the most nagging problems for President Perez is the nationwide newspaper strike called by the National Association of Newspaper Workers.

Most of the newspapers in the country have ceased publication Tuesday. This is the first press strike in more than 30 years in Venezuela, which represents a hard blow for the government.

The only comfort for President Perez is that the Army is under his control after the defeat of the coup, the removal of the commanders of the main garrisons and the arrest of the officers involved in the coup.

The government has decided to discharge 1,000 soldiers who carried out their superiors' orders to join the military coup against President Perez.

Although the political situation in Venezuela is rough-going, it is still under control.

President Perez has found it necessary to take greater care of the domestic issues and not to take frequent travels abroad, as he used to do.

He has canceled his trip to San Antonio, Texas, USA, to attend the seven-nation anti-drug summit that opens Wednesday with the participation of the presidents of Bolivia, Colombia, Ecuador, Mexico, Peru and the United States.

Political & Social

Court Metes Sentences to Tiananmen Participants

HK2702072092 Beijing ZHONGGUO XINWEN SHE
in Chinese 0327 GMT 27 Feb 92

[Text] Beijing, 27 Feb (ZHONGGUO XINWEN SHE)—Eleven criminals, who violated criminal law by aiming to subvert the government during the political disturbances in Beijing in 1989 were publicly tried and sentenced by the Beijing Intermediate People's Court recently, according to a relevant source.

Of the 11 criminals, Bai Chunxiang [4101 2504 4382] was exempted from criminal sanction and was released immediately upon judgment. Wang Lidong [3769 7787 2639], Peng Rong [1756 1539], and Li Minqi [2621 3046 7496] were given lenient sentences of two years in prison for minor offenses, and will be released in April, May, and June this year after serving their respective sentences. These include their periods of detention. The remaining seven criminals committed relatively major offenses but pleaded guilty with a good attitude. They were given lenient sentences of three to five years: one receiving three and one-half years in jail; two receiving three years; two, four years; and two, five years in jail respectively.

Dissident 'Getting Weaker'; Denied Medical Exam

HK2702052092 Hong Kong THE STANDARD
in English 27 Feb 92 pp A 1-7

[By Cheung Po-ling]

[Text] A leading Chinese dissident of the Beijing Spring democracy movement in 1978-79, who has been getting weaker after 10 years in jail, has been refused a medical check-up by prison authorities.

Sources said Xu Wenli, 49, one of the young democrats calling for fundamental political reform and respect of human rights during the "Beijing Spring" was in poor health due to his "horrendous prison conditions".

In 1979, Xu organized and printed a civilian publication called "April 5 Forum" which was condemned by the authorities as "anti-revolutionary propaganda".

Charged with anti-revolutionary incitement and organizing and leading an anti-revolutionary clique, Xu was jailed for 15 years in September 1982.

His first three years were in solitary confinement in a cell measuring six square metres. However, when he was found to be secretly writing a book entitled *My Defence Statement* in prison in October 1985, he was put in a smaller cell of three square metres and was banned from having family visits. He was kept in the tiny cell for 3-1/2 years.

Sources said Xu was weak and fragile and blamed his condition on the meagre monthly food ration of 36 yuan

(HK\$51), prolonged solitary confinement, lack of medical treatment and being allowed to wash only once a month, sources said.

"He has lost teeth and had once suffered from tuberculous lymphadenitis," said a source.

"Xu's family has continually asked the authorities to give him a check-up. They applied for his release for medical treatment on humanitarian grounds, but to no avail."

Xu was not allowed to listen to radio broadcasts, read newspapers or watch television.

Meanwhile, another jailed dissident, Wang Juntao, allegedly one of the "black hands" behind the 1989 pro-democracy movement, has asked his wife, Hou Xiaotian, to file papers suing the Qincheng prison, XINHUA News Agency and the Beijing Municipal Public Security Bureau (BNPSB).

Wang, serving a 13-year prison sentence, accused Qincheng and the police of irresponsible acts leading to delays in medical treatment for him. The XINHUA News Agency is being sued for libel.

According to sources, Wang blamed the prison for failing to give him a test for hepatitis despite repeated calls for almost a year, while the bureau had allegedly tried to conceal his sickness when he was transferred to the Beijing No 2 Prison, delaying proper medical treatment.

Wang also accuses the police of illegally confiscating his money and diaries.

Ex-Prisoner Says 12-16 Million in Labor Camps

AU2602180092 Paris AFP in English 1742 GMT
26 Feb 92

[Pierre-Antoine Donnet report]

[Text] Paris, Feb 26 (AFP) — Some 12 to 16 million prisoners are incarcerated in China's labor camps, 10 percent of them political prisoners, a man who served 19 years in a Chinese prison told a press conference here Wednesday [26 February].

Harry Wu, who was released from prison in 1989, said: "within the last 40 years, a minimum of 50 million people have been sent to these labor camps. This is a minimal estimate."

In his first press conference since being released and moving to the West, Wu said that by posing as a businessman, a tourist or sometimes an ordinary Chinese citizen, he was able to visit 20 Chinese work camps last summer.

"The number of labor camps is a state secret of the Chinese Government," he said. "However, based on my personal research alone, I have collected data on about 1,000 labor camps." "The total number (of camps)

would probably reach 3,000," he told the gathering of journalists and Sinologists in Paris.

The 10 percent figure for political prisoners only takes into account those Chinese who have been officially tried and sentenced and not those who have been placed in "reeducation-through-work camps", a procedure taken without trial based on a simple police decision, he said.

The reform-through-work camps are generally reserved for those sentenced to more than three years, while those charged with less serious infractions can be sent to the less rigorous reeducation camps for a maximum of four years.

Wu, who has just been to Geneva in connection with the current U.N. session of the Human Rights Commission, described the Chinese prison system as the last great "gulag" in the world. "The Soviet gulag met its demise as the communist regime plunged to its death. In contrast, China's labor camps are thriving and growing as never before," Wu said.

"We condemned the Soviet gulag. We condemned the Nazi concentration camps. How can we use a different standard to treat China's labor camps?" Wu asked.

The Chinese work camps for decades have traditionally constituted an important reservoir of manpower for the Chinese economy, with prisoners doing forced labour in camps converted into farms and factories, Wu said.

As for the people killed during the bloody repression of student protesters in and around Tiananmen Square in June 1989, Wu said they "account for only a small number of the victims in that pro-democracy movement" through the repression that followed.

Deng's Shenzhen Remarks on Stock Markets Cited

HK2702040292 Hong Kong WEN WEI PO in Chinese
27 Feb 92 p 2

[By WEN WEI PO staff reporter: "Deng Xiaoping Says Key To Studying Mao Zedong Thought Lies in Learning To Seek Truth From Facts"]

[Text] Shenzhen, 26 Feb (WEN WEI PO)—At a Spring Festival tea party held in Shenzhen by Hong Kong's WEN WEI PO on 25 February, Li Youwei, deputy secretary of the Shenzhen City CPC Committee and chairman of Shenzhen's people's congress Standing Committee, told our reporters that Deng Xiaoping's consistent style of attaching great importance to dealing with concrete matters is a good example for us. Motivated by this style, the city leaders are energetically encouraging the practice of dealing with concrete matters. This year, the city will mainly grasp 23 major matters in which to further speed up the pace of reform and opening up.

Li Youwei emphasized that the remarks Deng Xiaoping made during his recent inspection in Shenzhen are very important. They are all important matters concerning

the whole nation and the future. He disclosed that members of the Standing Committee of the city party committee are conscientiously studying and implementing Deng Xiaoping's instructions, in light of Shenzhen's realities. They are studying matters such as how to further deepen reforms, how to take firm measures with both hands, be more courageous, and how to do things faster and better.

Li Youwei pointed out that Deng Xiaoping insisted that economic construction should be taken as the center, and he was resolute and decisive when saying so, allowing no vacillation. Anyone who vacillates will fall from power.

Deng Xiaoping said: I have practiced socialism and studied Mao Zedong Thought all my life, and what I have learned is to proceed from reality. Practice is the only criterion for truth. Everything must be experimented with first. He asked: What about your stock market? Is it socialist or capitalist? To decide whether it can be used, we must experiment first. If the experiment is successful, it can be popularized. If problems arise, we can withdraw it. We can withdraw it immediately and totally or retain a small part of it for further experiment.

Deng's Southern Tour Remarks Showing 'Effects'

HK2702104492 Hong Kong WEN WEI PO in Chinese
27 Feb 92 p 2

["Newsletter from Beijing" by staff reporter Chen Chien-ping (7115 1696 1627): "Effects of Deng Xiaoping's Remarks"]

[Text] "With flowers on the branches of the trees, spring is very much in the air." Deng Xiaoping's remarks during an inspection of south China are being disseminated to high-level cadres. However, popular feelings have long been high following the appearance in Beijing streets of huge placards proclaiming "Deepen the Reform, Widen the Scope of Opening Up," and the recent publication of "substantial" commentaries by the media about increasing the content of reform. People have already felt the second pulse of China's reform and opening up, and are all the more eager for the country to take bigger strides forward.

Deng Xiaoping's remarks during his inspection of south China have caused nationwide repercussions because, as analysts here said, his remarks correspond with two kinds of feelings. As a matter of fact, top CPC leaders generally think that reform should be deepened, the scope of opening up widened, and the pace of reform and opening up should be speeded up. Deng Xiaoping's remarks during his inspection of south China correspond with their feelings. Second, ordinary Chinese people have benefited from reform and opening up during the last few years and, naturally, they hope that reform and opening up will not only be continued, but deepened and widened as well. Deng Xiaoping's remarks also conform with this feeling and are therefore well received by ordinary Chinese people.

As revealed by an authoritative source here, the warmth of the masses in welcoming Deng Xiaoping's inspection of south China broke the unwritten rules he himself set years ago. When he withdrew from leadership, Deng Xiaoping said that he would make fewer public appearances to express his support for the work of the third generation leadership. He said that he would make only one public appearance a year. Deng Xiaoping has done as he said he would. Two years ago, he made a public appearance as a National People's Congress voter; last year, he made a public appearance in Shanghai to extend New Year greetings. This year, he had planned to make a public appearance once again in Shanghai to extend New Year greetings. But when he was inspecting Shenzhen and Zhuhai, people saw him time and again, and crowded around him with welcoming applause. Thus, Deng Xiaoping "came to light" repeatedly.

The authoritative source said that the key point of Deng Xiaoping's remarks during his inspection of south China was the demand for a faster rate of China's economic construction. We should be optimistic about the prospects for our country and special economic zones. That is the first point. However, our economic construction still lags far behind. That is the second point and one that Deng Xiaoping stressed we should not lose sight of. This matter has been a worry to this veteran leader. Therefore, on leaving Shenzhen, he stopped and turned around before embarking a ship and told Li Hao, secretary of Shenzhen City CPC Committee: "Your development should be accelerated a little."

The effects of Deng Xiaoping's remarks during his inspection of south China have made themselves felt in various aspects. Take veteran comrades as an example. Bo Yibo, vice chairman of the Central Advisory Commission, recently wrote an article on how to use and display the market role. This article is being disseminated by the CPC Central Committee Office as a document. The article mainly explains the concept of establishing "small planning commissions and big economic commissions." It points out that in the wake of the deepening of reform and opening up, China should set up small planning commissions and big economic commissions to reduce state planned management and to strengthen macroeconomic control and regulation.

For the government's part, it submitted the draft of a government work report to the National People's Congress for examination. During a recent discussion at a routine State Council meeting, it was made clear that the government work report should include important remarks made recently by Deng Xiaoping and other veteran comrades and that these should be taken as an important basis for revising the report.

Party Tells Media How To Cover New World Order

OW2702132292 Tokyo KYODO in English 1258 GMT 27 Feb 92

[Text] Hong Kong, Feb. 27 KYODO—China's Communist Party has instructed its media to cash in on confrontations among Japan, the United States and Western

Europe in the post Cold War era, according to a classified document of the party's Propaganda Department.

The document, obtained by KYODO NEWS SERVICE, was recently issued to China's officially controlled press, such as the PEOPLE'S DAILY and XINHUA NEWS AGENCY.

"We must especially take advantage of confrontations among Western nations, strengthen ourselves and consolidate the neighboring region by giving priority to our maneuvers in Asia and the Pacific region," the document says.

The Propaganda Department of the Chinese Communist Party is headed by Wang Renzhi, who is regarded as a hardline ideologue.

The document tells the Chinese media how to describe, and respond to, new political situations in the wake of the dismemberment of the Soviet Union and the collapse of communism.

The document defined as "Two Cold Wars" the confrontations among Japan, the U.S. and Western Europe, which lost their common enemy following the break-up of the Soviet Union, and the confrontations among "imperialist" states, Third World countries and socialist countries that survived the fall of communism.

"Although one Cold War has ended, two cold wars have started," the document says.

The document also instructed the Chinese media to appeal to developing countries to build up solidarity with China by means of their writings.

It called for waging a large-scale Propaganda campaign targeting Japan by taking the opportunity of the 20th anniversary this year of diplomatic normalization between the two nations. Japan and China resumed diplomatic ties in 1972.

China has to take advantage of wrangling and squabbling among Japan, the U.S. and South Korea, the document says.

Depicting North Korea as a "strategic shield located northeast of our country," the document says the country has traditionally been a "militant friendly country."

China "has to expand its influence by taking advantage of confrontations (among enemy states), while enhancing the militant stratagem of reporting in tandem with diplomatic battles," it said.

The document also told Chinese journalists to be vigilant at the growth of economic relations between the West and countries in the Indochinese peninsula.

Some Western countries which were colonial rulers in the peninsula before communist forces drove them out "plan to return to Indochina," the document said.

It emphasized the vital significance of the rapprochement between China and Vietnam.

As for the coverage of the U.S., the document called for playing up what it calls the dwindling power of the superpower.

The U.S. faces "challenges from Germany and Japan" and the Chinese media should enhance its coverage of confrontations and compromises among the U.S., Western Europe and Japan, it said.

It also warned that Western "hostile forces" were sticking to a policy of trying to overthrow socialist countries by peaceful means.

It called on the Chinese media not to report democratic progress in the Commonwealth of Independent States (CIS) "in order not to erode domestic stability," while playing up "citizens' miserable living conditions" in the commonwealth where it said capitalism is spreading.

It called on Chinese journalists to remain alert to what it called attempts to subvert socialist regimes by peaceful means.

Article on Reforming Enterprise Cadre System

*HK2402142492 Beijing RENMIN RIBAO in Chinese
12 Feb 92 p 5*

[Article by Qi Sixu (4359 0934 5969): "Summary of National Forum To Exchange Experience in Reforming Enterprises' Cadre and Personnel System"]

[Text] In order to implement the spirit of the central work conference and to actively promote the reform of the enterprise cadre and personnel system, the Ministry of Personnel held a national meeting to exchange experience in the reform of the enterprise cadre and personnel system. More than 100 people, including responsible officials of the personnel departments of various provinces, autonomous regions, municipalities, cities with independent status in the national budget, and cities carrying out pilot projects and some enterprise representatives attended the meeting. Comrade Zhao Dongyuan made an important speech on how the personnel department of the government provides better service for large and medium-sized enterprises.

The main questions discussed at the meeting are summarized as follows:

First, Basic Assessment of the Reform of the Enterprise Cadre and Personnel System

The meeting participants held that since the Third Plenary Session of the 11th CPC Central Committee, along with the continuous in-depth development of the economic and political structural reform, the reform of the enterprise cadre and personnel system has also made substantial progress: The leadership system of the socialist enterprises has been improved and perfected; the forms of appointing enterprise managers have been

reformed, and the previous uniform cadre appointment system in the enterprises has been changed; and within the enterprises, cadres are now appointed under a new contract system, and the lifetime office tenure and the "iron rice bowl" phenomenon have been changed. Effective experiments have also been carried out in other aspects of the reform to support the reform of the cadre and personnel system in enterprises, and this has created favorable conditions for furthering and deepening reform in this regard. In the past several years, in general, the orientation of the reform of the enterprise cadre and personnel system has been correct, and marked results have been achieved.

In the practice of reforming the enterprise cadre and personnel system, various localities have also created and accumulated a great deal of useful experience: First, the reform of the enterprise cadre and personnel system must proceed from the actual conditions and be closely combined with the reform of the enterprise operational and management mechanisms, thus ensuring the proper coordination and harmony between the reform of the personnel system and the reform of the management system in the enterprises. Second, it is necessary to persistently introduce the competition mechanism in enterprise personnel management through openly inviting applications for the management posts in the enterprises. Third, it is necessary to maintain and improve the contract-based cadre appointment system in the enterprises and to make certain that cadres can be both promoted and demoted and can be both appointed and dismissed, thus thoroughly breaking the "iron rice bowl" and the lifetime office tenure for enterprise cadres. Fourth, the reform of the enterprise cadre and personnel system must always adhere to and follow the party's cadre line and relevant principles and policies, and this is the fundamental guarantee for the correct orientation in the development of this reform.

Second, Maintaining and Improving the Contract-Based Cadre Appointment System in Enterprises

Since its adoption in 1984, the system of appointing enterprise cadres on the contract basis [pin yong zhi 5111 3938 0455] has been welcomed generally by the enterprises, and has achieved marked results. Practice shows that the adoption of this contract-based appointment system within the enterprises ensures enterprises' right of self-determination over personnel affairs and enables enterprises to make timely and flexible selection and appointment of cadres in light of their needs. This system helps break the previous lifetime office tenure for cadres. Under this system, enterprise cadres can be both promoted and demoted and can be both appointed and dismissed. This makes it easier to select cadres among outstanding workers, thus better arousing the work enthusiasm of cadres and workers in the enterprises. Therefore, the contract-based cadre appointment system is an effective cadre appointment system full of vitality. Of course, there are still some imperfections in the implementation of the contract-based appointment system, and the problems should be solved through

further reform. At present, it is necessary to maintain and continuously improve the contract-based cadre appointment system in enterprises, and to consolidate the reform achievements. The contract-based appointment system [pin yong zhi 5111 3938 0455] must not be replaced with the examination-based appointment system [lu yong zhi 6922 3938 0455].

The meeting participants held that the "Interim Rules on Cadre Management Under the Contract-Based Appointment System in Enterprises Owned by the Whole People" recently laid down by the CPC Central Organization Department and the Ministry of Personnel represented a major step for consolidating and improving the contract-based cadre appointment system in the enterprises. The "Rules" stipulate the terms and procedures for appointing and dismissing enterprise cadres on the basis of respecting the right of self-determination of the enterprises over personnel affairs and following the principle that enterprise cadres can be both promoted and demoted and can be both appointed and dismissed. The "Rules" also provide more effective measures for managing cadres under the contract-based appointment system, and properly solve some problems related to the pay and perks for cadres under the contract-based appointment system. In order to ensure the smooth implementation of the "Rules," the personnel departments should mainly fulfill the following basic work at the current stage: 1) Joining hands with the departments in charge of the enterprises in guiding and helping enterprises fix their management structure and posts; 2) gradually exercising planned management over enterprise cadres under the contract-based appointment system and restraining the irregular swelling of the ranks of cadres in enterprises; 3) joining hands with the departments concerned in carrying out necessary screening and rectification of the management of cadres under the contract-based appointment system, supervising and examining the strict implementation of the appointment procedures and terms in the enterprises, regularizing the work of managing cadres under the contract-based appointment system, and ensuring the achievement of the expected results in the implementation of the "Rules."

Third, Gradually Adopting the Contract-Based Appointment System for Enterprise Managerial and Technical Personnel

The meeting participants held: At the central work conference, Premier Li Peng pointed out the need to gradually adopt the contract-based appointment system for the enterprise managerial and technical personnel. This instruction charted a clear course for the in-depth reform of the enterprise cadre and personnel system. At present, a major job in advancing the reform of the enterprise cadre and personnel system is to positively, steadily, and comprehensively adopt the contract-based appointment system for the enterprise managerial and technical personnel while maintaining and improving the contract-based cadre appointment system.

The adoption of the contract-based appointment system for the enterprise managerial and technical personnel is an objective requirement and an inevitable result of the reform of the enterprise personnel and labor system. It is also a major measure for increasing the dynamism of the enterprises and arousing the work enthusiasm of the enterprise cadres and workers. In the last few years, the enterprise personnel and labor system has undergone a series of reforms. The contract employment system has been adopted generally among the workers, and the contract-based appointment system has been adopted to select cadres among outstanding workers. This urgently requires that the form of managing the original enterprise cadres also be reformed correspondingly with the adoption of the contract-based appointment system. The essence of the adoption of the contract-based appointment system is to remove the line of demarcation between cadres and workers through the establishment of a competition mechanism so that outstanding workers can be selected and appointed to the managerial and technical posts in the enterprises in good time. Original permanent cadres who are incompetent at the managerial or technical work should be transferred to other posts or even turned into ordinary workers. This will further break the "iron rice bowl" and the lifetime office tenure for cadres, and will eliminate the phenomenon of overstaffing in enterprise management, thus optimizing the structure of the enterprise managerial and technical ranks and increasing their sense of responsibility.

The adoption of the contract-based appointment system [pin yong zhi he pin ren zhi 5111 3938 0455 0735 5111 0117 0455] is a major reform measure that requires the strict implementation of the relevant policies and involves affairs in a wide scope. So it is necessary to work positively and prudently in a well-planned and orderly way through making painstaking investigations and studies, knowing the overall situation well, and giving consideration to the local conditions and the specific conditions of the enterprises concerned. In particular, it is necessary to properly carry out the pilot projects and accumulate experience, thus guiding and gradually advancing the work in all other enterprises. At the same time, it is necessary to strengthen propaganda, properly conduct the ideological and political work, more firmly keep the sense of reform, and solve various problems in the course of reform with the spirit of innovation and reform, thus guaranteeing the smooth implementation of this important reform measure.

The meeting participants also pointed out: When adopting the contract-based appointment system, it is also necessary to further strengthen the enterprises' internal personnel management and to properly carry out backup reforms in other aspects. At present, it is particularly necessary to strengthen the work of regularly assessing and training incumbent cadres and consolidate the enterprise leading bodies. Only with the establishment of a strict and effective cadre assessment and training system can the quality of the enterprise managerial personnel be raised comprehensively, and only

thus can the contract-based appointment system be consolidated, thus guaranteeing the stable long-term development of the enterprises.

Fourth, the Personnel Departments Should Faithfully Fulfill Their Duties for Improving the Large and Medium-Sized State-Owned Enterprises

How should the personnel departments serve the purpose of improving the large and medium-sized state-owned enterprises? This was one of the major questions discussed at this meeting. The meeting participants unanimously held that as improving the large and medium-sized state-owned enterprises is the party's central work at the current stage, the personnel departments should properly exercise overall management over the reform of the enterprise cadre and personnel system, give necessary guidance, play a coordinating role, and provide necessary service for the enterprises, thus faithfully and wholeheartedly fulfilling their duties for the improvement of the large and medium-sized enterprises. This is also the concrete demonstration of the personnel work serving the economic work at the present stage.

According to the functions of the personnel departments and the actual needs of the personnel management in the large and medium-sized state-owned enterprises, the meeting participants worked out a number of preliminary measures that the personnel departments should take to serve the purpose of improving the large and medium-sized enterprises. First, actively advancing the reform of the enterprise cadre and personnel system, supporting and guiding the enterprises in the course of establishing and perfecting the incentive and appointment system which is full of vigor and dynamism, and helping enterprises place the unsuccessful candidates and the redundant personnel. Second, ensuring and guaranteeing the enterprises' right of self-determination in personnel affairs, not interfering in the enterprises' internal setup of institutions, and not casually transferring enterprise cadres. Third, actually meeting the needs of large and medium-sized state-owned enterprises for various types of competent personnel, absorbing and guiding the movement of outstanding personnel to these enterprises, and taking necessary steps for stabilizing the existing technical personnel in these enterprises. Fourth, by means of planned transfer and personnel movement, properly adjusting the enterprise cadre structure, reasonably distributing and optimizing the contingent of the enterprise managerial and technical personnel, and fully tapping the potential personnel resources. Fifth, joining hands with the departments concerned in properly training the managerial personnel of the large and medium-sized enterprises, especially the leading cadres, strengthening the continuing education for the professional and technical personnel, and comprehensively raising the overall quality of the enterprise managerial and technical personnel.

Commentator's Article Warns Against Formalism

HK2502091192 Beijing RENMIN RIBAO OVERSEAS EDITION in Chinese 21 Feb 92 p 1

[Commentator's article: "Guard Against Formalism"]

[Text] Recently, the central leading comrades repeatedly emphasized that it is necessary to change work style, firmly grasp implementation, and guard against formalism. This question merits our great attention. At present, apart from some old defects such as excessive documents, meetings, and social intercourse, there are also new problems which merit our attention.

For example, in some places, there have been too many contests. Contests have been held in various fields, including contests among enterprises and departments, transregional contests, and national contests. The grass-roots units cannot but release more labor and materials to join in such contests, and people are busy with copying books and reciting answers.

The masses complained that there were too many year-end examinations and appraisals, which almost suffocated them. The excessive examinations kept intellectuals busy all the time. Some secretaries and factory directors were exhausted with this work. When some examination groups went to the grass roots, they had to be well treated and fêted, otherwise they would lose their temper and nitpick, putting the comrades working in grass-roots units in an awkward predicament.

Some of the masses say that in some places, people are fond of celebrating festivals and holding congratulatory activities disregarding local conditions. In the past, when congratulating other people on their successes or meritorious service, people only put up some red congratulatory posters and beat drums and gongs. But now, even for a matter as small as that, they will give a banquet in a hotel, invite leaders to attend, and distribute souvenirs.

We can cite many other examples, which concern a vast range of fields. Although in a particular part of the country or on particular concrete matters it is not a serious problem, when it becomes a common practice and mood of society, it becomes very serious. The unhealthy style of formalism has become one of the most disgusting phenomena for the masses.

Formalism has existed for a long time. Its root cause is bureaucratism, or we may say that it is an expression of bureaucratism. Some comrades, who have lost contact with reality, are incapable of doing leadership work, but they are fond of doing things perfunctorily. It seems to them that without bluff and bluster and a big scale, they cannot prove themselves to be bold and capable in their work. Some other comrades are fond of following the general trend. They are good at dealing with examinations and appraisals from above and below and are used to frequently attending ribbon-cutting ceremonies and banquets. They are only too glad to be officials having nothing to do. Still others, though very few, who do not

have a good ideological awareness, are fond of doing things which can be easily seen by others and following the fashion. Sometimes, in order to claim credit for themselves and cover up their mistakes, they may just do something perfunctorily.

To guard against formalism, it is necessary to start with the leading organs. Formalism exists at all levels, from above to below. Some problems may occur at the lower levels, but they have connections with the higher-level organs and departments. Take examination and appraisal for example: If a group is sent to the grass roots today, and another group is sent there tomorrow, how can the grass roots avoid being kept busy all day? In order to guard against formalism, the leading organs and departments must first set a good example, and second, do some concrete things and achieve substantial results. By doing so, all problems can be solved.

Guarding against formalism must be combined with structural reform. Overstaffed organs, the fact that there are more hands than needed, lax discipline, and indiscriminately giving rewards and punishments will certainly lead to an unhealthy work style. Therefore, it is necessary to implement the spirit of reform, including reform of the cadre system, and gradually establish a mechanism to encourage people to do concrete things rather than seeking vanity. On the other hand, it is necessary to gradually improve and perfect various examination, appraisal, and citation systems. The systems which have been proved to be effective in promoting work must be continued, while those which are a mere formality and are ineffective, especially those which tire the people and drain the treasury, should be abolished. When it is really necessary to hold meetings, issue documents, or conduct all kinds of necessary examinations and appraisals, it is necessary to attach importance to their quality and efficiency. In short, to promote the great cause of reform and opening up, we must adhere to the principle of seeking truth and doing concrete things when we handle affairs and do our work.

'Text' of Daily's Article on Tibetan Human Rights

OW2502115292 Beijing XINHUA in English
1028 GMT 25 Feb 92

["Text" of article by Professor Dorje Tsedain, director-general of the China Center for Tibetan Studies, and deputy director of the Qinghai-Tibet Plateau Research Society: "The Question of Tibet Is Not a Question of Human Rights But a Question of Safeguarding China's Sovereign Rights"; originally published in RENMIN RIBAO on 25 February; first five paragraphs are XINHUA introduction]

[Text] Beijing, February 25 (XINHUA)—Today's leading Chinese newspaper, the "PEOPLE'S DAILY" [RENMIN RIBAO], frontpages an article written by Tibetan Professor Dorje, entitled "The Question of Tibet Is Not a Question of Human Rights, But a Question of Safeguarding China's Sovereign Rights".

Professor Dorje Tsedain is the director-general of the China Center for Tibetan Studies and deputy director of the Qinghai-Tibet Plateau Research Society. In 1952, together with Living Buddha Trijang, tutor of the fourteenth Dalai Lama, Ragashar, Kaloon of Kasha and concurrent commander-in-chief of the Tibetan army, Tupden Danda, one of the four secretaries of Yig-Tshang, Janglojin, a noble and a scholar, and Prof Li Anzhai, an anthropologist, he founded the first modern school in Tibet—Lhasa Primary School.

In an editor's note, the newspaper says that the writer has had the personal experience of both the old and new Tibet and has also carried out extensive investigations and study of the social conditions of Tibet. As a witness of history, the author lists a large amount of historical and current facts to show how the feudal serfdom of Tibet trampled on human rights and how the socialist motherland has made it possible for the millions of emancipated serfs to enjoy human rights to the fullest extent.

The paper points out that some people in the West have made much of the "human rights issue in Tibet", wilfully thinking that rumour when repeated may become truth. Talking about "human rights" is nothing but a pretext, the newspaper says. Their real intention is to try to interfere in the internal affairs of China.

Full text of the article follows:

In recent years, especially over the last few months, certain people abroad have raised a hue and cry about the so-called human rights problem in Tibet. They alleged that China does not respect human rights in Tibet, and accused China, among other things, of "committing genocide", "suppressing common people", "destroying religion" and "persecuting lamas", etc. Some of them have raised this issue repeatedly in international organizations in an attempt to bring pressure to bear on the Chinese Government. In presenting a distorted picture about Tibet, these people have at least showed a lack of understanding of Tibet's history.

As a native Tibetan who has worked for many years in Tibet and is engaged in Tibetan studies, I have acquired a fair amount of knowledge about Tibet's past and present.

Far from being a Shangri-la before the peaceful liberation of Tibet and a place "defaced beyond recognition" now as is alleged by some separatists, old Tibet was a feudal serfdom where the high clergy ruled in an autocratic fashion with no distinction between church and state.

Some foreign friends may not know much about Tibet's past, but they should know much more about Europe's past. Medieval Europe was once under serfdom, a system notorious for its utter injustice, inhumanity and extreme cruelty and, a dark page in both European and world history that one still finds it unbearable to recall.

The serfdom that existed in Tibet before 1959 was even worse in that it had gone even further in violating the rights to subsistence of the serfs who made up the overwhelming majority of the Tibetan people. At that time, the serfs, who made up 95 percent of the population, had no land, much less personal freedom, whereas the serf-owners, the kasha, nobles and high clergy, who made up only 5 percent of the population, not only owned all the land in Tibet, but also had total control over the serfs in their possession.

Such cruel punishments as gouging out the eyes, chopping off the feet, cutting the tongues, pushing over the cliff, wearing "hats" made of stone and standing in solitary dungeons, would make people shiver by merely recalling them.

During the extensive survey of the social conditions in Tibet in the early 1950s, I saw with my own eyes how the three estate-owners of officials, nobles and monasteries exploited the serfs ruthlessly while they themselves lived a privileged and luxurious life.

For example, Kaloon Surkhang Wangqen Geleg of the old Tibetan local government bribed the Living Regent Buddha with 20,000 pins of silver (one pin is equal to 50 taels) and a strong mule so that the Buddha would make him a kaloon. This amount of money, if used to buy grain at the price of the time, could feed 6,000 serfs for a whole year by the average living standards. This political scandal became so widespread in Lhasa that even today it is still on the lips of the local people.

In old Tibet, there was no freeman. Except for a handful of feudal lords, 95 percent of the Tibetan population were either serfs or plain slaves. There was no serf that did not belong to a serf-owner.

For generations, the serfs were bound to the owners' land or estate, forced to toil day and night, undertake corvée and pay taxes. Moreover, completely in servitude, the serfs had no freedom of the person whatsoever.

The owners could do whatever they liked to the serfs, ordering them about, exchanging, transferring and even torturing them to the point of maiming and killing them. When one serf met another serf, they were not allowed to address each other by their names, but by the names of their masters.

While on a study tour of Japan last year, I met two Tibetan scholars who went abroad in the 1950s. Following the old custom, I asked them who their old masters were. They answered me clearly and without thinking. In the monasteries of old Tibet, there was also a rigid stratification system. Most low-ranking and poor lamas had no rights and no conditions to study Buddhism, but worked all year round. In fact, they were but serfs in Kasaya.

In old Tibet, a large number of serfs led a very miserable life, struggling on the brink of poverty, starvation and

death. In the early 1950s, I saw in Lhasa many dilapidated slums in the east, south and north of the city which were full of beggars. Homeless and wearing nothing but rags, they were languishing in cold and hunger. Even those so-called convicts, with wooden frames on their shoulders and iron shackles around their legs, had to beg on the streets, because no food was provided in the prison. The scene was so shocking that it remains quite fresh in my memory till this very day.

The tragic fate of the serfs presented a sharp contrast with the silk-clad serf-owners and officials who went about on horsebacks.

In 1959, around summer ceremony in the first month of the Tibetan calendar, I was working on an alms-giving project organized by the preparatory committee for the Tibetan Autonomous Region. Among those who came to receive the alms were lamas and nearly ten thousand beggars.

One must not forget that the entire population of Lhasa at the time was slightly more than 20,000. A very popular saying among the serfs in old Tibet goes like this: "What a serf can take away with him is but his shadow and what he can leave behind is but his footprints." This is the true portrayal of the tragic fate of the Tibetan serfs.

Facts have proved that in old Tibet, the overwhelming majority of the Tibetan people had no guarantee for the minimum right to subsistence, let alone other human rights. No lie, no matter how carefully fabricated or glibly told, can gloss over the criminal record of human rights in old Tibet.

The democratic reform that started in Tibet in 1959 buried the darkest and most corrupt feudal serfdom. The Tibetan people shook off their chains to embrace liberation and became masters of a new Tibet.

Like people in other parts of the country, the Tibetan people now enjoy not only extensive rights as laid down in China's constitution and laws, but also rights to self-government as stipulated in the law of regional national autonomy.

Moreover, they have received selfless assistance from across the country in terms of human, financial and material resources and been granted various preferential policies by the central government. Therefore, since the democratic reform, the living standards of the Tibetan people have improved tremendously.

Tibetan culture and language have been well protected. Tibetan Buddhism has been respected. The population of the Tibetan nationality has increased substantially. As long as one respects facts, it will not be difficult for him to draw the conclusion that in today's Tibet, there is no such a thing as violation of human rights of the Tibetan people. On the contrary, it is precisely the socialist new China that has guaranteed the Tibetan people's rights to subsistence and development and made it possible for them to enjoy other human rights to the fullest extent.

Most profound changes have taken place in the human rights situation in Tibet.

Here, I will just cite two examples. First, Gyipu Phuntsogtsedain, current vice-chairman of the People's Government of the Tibet Autonomous Region, was a member of the nobility in the old days and once served as the magistrate of Gyangze, a former local administration, while Lhagba Phuntsog, also a vice-chairman of the Tibet Autonomous Region, used to be a serf of the noble Gyipu Clan. Such examples are numerous.

Second, Sexin Village, under the jurisdiction of Diolungdegen County, used to be a manor under the rule of the 14th Dalai Lama's clan. In the early 1950s there were only 22 households in the village, 18 of which were those of serfs and four of which were those of slaves. The manor had a total population of less than 120. Today, the village has 65 households (all Tibetans) with a total population of 354, three times that 40 years ago. All the school-age children in the village are at school, and everyone under 30 has received an elementary education; there are six junior middle school graduates, three senior middle school graduates and one female university student.

This would have been inconceivable in the past. These two examples alone suffice to show that in today's Tibet, human rights are no longer privileges enjoyed only by a few estate-holders, but rather they are rights equally enjoyed by all the Tibetan people.

Certain hostile forces abroad have turned a blind eye to the actual human rights situation in Tibet and concocted the lie that the Chinese Government has violated human rights in Tibet. To put it bluntly, their real purpose is to wantonly interfere in China's internal affairs under the pretext of human rights and ultimately to split Tibet from the territory of the People's Republic of China.

As for those separatists who have fled the country and raised clamors about human rights in Tibet, they just want to give vent to their discontent and hatred over the loss of the privileges they used to enjoy and over the emancipation of the Tibetan serfs and their subsequent entitlement to civil rights.

Casting in their lot with the hostile foreign forces, they have become the latter's most aggressive henchmen and pawns in their activities aimed at separating Tibet from China.

While stirring up troubles over the so-called human rights issue in Tibet, these two types of people have spared no efforts to preach the idea that "Tibet is an independent state", which is no less absurd than their lies about human rights in Tibet.

The entire country of China including Tibet was unified as far back as the beginning of the 13th century during the Yuan Dynasty. Tibet has since formally become part

of Chinese territory and the Tibetan nationality an important member of the big family of the Chinese nation.

From then up to now, the central government has over the centuries exercised sovereignty over Tibet. There are a wealth of historical documents which serve to testify to the subordinate status of Tibet to the central government since the Yuan Dynasty, including the three million volumes of the archives of the local governments of Tibet in the Tibetan language currently kept in Tibet. They are historical evidence on the issue.

It was the central government which had the power to finally confirm the installation of the Dalai Lama from the sixth up to the fourteenth.

Gashar—the original local government of Tibet—was established in 1751 only with the approval of Emperor Qian Long of the Qing Dynasty.

The Tibetan vocabulary did not even have the word "independence" until the beginning of the 20th century. The so-called Tibetan independence is a result of the imperialist aggression in China's modern history.

In the early years of the 20th century, the British imperialists masterminded "the independence of Tibet" in an attempt to control and occupy Tibet, but they failed.

In 1931 (when the 13th Dalai Lama was alive) and 1945, the local government of Tibet sent official representatives to the National Assembly (parliament) held by the Kuomintang Government in Nanjing.

We should like to ask: how could Tibet, if it were an independent state as claimed by some people, designate official representatives to become members of parliament of "another country"? And how could the Chinese parliament accept "foreigners" as its members? Obviously, the theory of "Tibetan independence" preached by both the separatists and hostile forces abroad has no legal or historical basis and therefore can not hold water.

Finally, I would like to add one more point. Tibet was closed to the outside world for a long time owing to various factors. Consequently, most foreigners do not have an adequate knowledge of the history of Tibet and its present conditions.

This has made it possible for Tibetan separatists and hostile forces abroad to spread lies to mislead the public and accomplish their malicious aims. As a result, not a few people, kindhearted but unaware of the truth, have joined those with ulterior motives in censuring the Chinese Government and have even gone so far as to support the independence of Tibet, which has actually served to encourage the Tibetan separatists and anti-China forces abroad.

However, I am convinced that as China unswervingly implements its policy of opening to the outside world, more and more people in the world will come to know

the past and the present of Tibet, turn their back on the rumor-mongers, and sympathize with and support the great cause of the socialist modernization currently under way in Tibet. They will join the Chinese people in the expectation of a brighter and more beautiful Tibet in the future.

International Human Rights Struggle Analyzed

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[Article by Lang Yihuai (6745 3015 2037), of the Jilin City CPC Committee Party School: "The Practice of Human Rights in Socialist Society and the International Human Rights Struggle"]

[Text] In today's world, the human rights issue has become a major battleground in international struggle and especially between the two forces of socialism and imperialism to test their strengths. In this struggle, an important task of Marxist theoretical workers is to scientifically appraise and compare the human rights practices in the contemporary world, correctly explain the human rights practice in socialist society and its superiority, and to reveal the essence and trends in the international human rights struggle.

1. The Cognitive Basis for Appraising and Comparing Human Rights

In correctly carrying out appraisal and comparison of human rights, and in scientifically understanding the human rights practice of socialist society and revealing its superiority to capitalist human rights practice, it is first necessary to understand what human rights are. On this question, there are basically three mistaken or one-sided theories which can lead our understanding astray or lead us to biased understanding.

1. The "theory of natural human rights." This theory does not understand human rights on the basis of the historical development of mankind. Rather, it bypasses the social and class nature of man and understands man and his rights as an abstraction possessed by every person. Although this played an important role in the struggle to oppose feudal autocracy, it is unable to scientifically explain the complex phenomenon of human rights in society. In recent years, there have been some people who have restored this "theory," which had already been criticized by Marxism. They understand human rights to be "bestowed by nature," as "something you are born with, not something acquired," as something "all people equally enjoy" and as something "which cannot be expropriated and cannot be transferred." The advocacy of their theory can only lead people's understanding of the human rights question into the bog of suprasociety, supraclass ideas.

2. The "theory of human rights as something conferred by the commodity economy." This theory is a negation and transcendence of the "theory of natural human rights." However, it is extremely one-sided to sum up the

mechanism by which human rights are formed as simply the commodity economy. The founders of Marxism affirmed the role of the commodity economy in the development of human rights, but did not limit themselves to this. *Das Kapital* had already systematically and thoroughly revealed the great promotional role which the private ownership system had in bourgeois human rights. Using "the theory of human rights as something conferred by the commodity economy" as a label for the "Marxist theory of human rights" is to use the partial to describe the whole. In fact, the development of human rights involved an extremely complex mechanism and the social system was one of the major factors. Restricting the understanding of human rights to the framework of "commodity economy-conferred human rights" will only result in a mistaken conclusion which is divorced from objective reality.

3. The "theory of conceptual human rights." Human rights have their own objective social content. It is only when they are reflected in people's minds that they become concepts. Thus, even on the general knowledge level, we should distinguish human rights and the concept of human rights. However, in the view of the proponents of the "theory of conceptual human rights," the history of human rights and the history of the human rights struggle are but the history of concepts. Such an understanding of human rights can only confine people to the narrow position of value concepts and there will be no way to understand and explain, from the angle of the basic patterns and major trends of the historical evolution of society, the practice of human rights in socialist society and the nature of the contemporary international human rights struggle. According to this theory, all struggle relating to human rights is nothing but pure speculation, without any objective basis. Thus, any person and any country can, in accordance with their needs, arbitrarily make criticisms of the human rights of other people and other countries.

How, then, are we to understand human rights?

Human rights are a comprehensive social category, a social recognition and definition which people attain through their existence in society. This recognition and definition is manifested as qualifications by which people participate in social interaction. Whether or not people have these qualifications determines whether or not they have human rights, while the extent of their qualifications determines the extent of their rights. When people have rights, it means that they have the social possibility of utilizing their own abilities (physical and mental) and have real social strength (when one's own abilities are not combined with rights, one only has potential, possible social strength). Thus, they are able to obtain the interests they need. In order to realize the distribution of interests, every society first distributes rights (such as ownership rights and civil rights) to people and uses these as a medium by which to realize the distribution of interests. Human rights comprise a deep-level social relationship which is formed between people.

1. Human rights are first human rights of a certain class, and they have a clear class nature. At the very beginning, the emergence of human rights and the production of classes was the same historical process. The one-sided appropriation of surplus products and the emergence of private ownership was the first distribution of rights in human society. This split society into two major antagonistic classes and gave the slave-owner class their qualifications as persons, allowing them to enslave those who had absolutely no human rights. The recognition of each person by society first involves the recognition of that person as a member of a certain class. Suprasociety, supraclass human rights do not exist. Here, it is not difficult for us to recognize the antagonistic nature of human rights. The human rights of the ruling class are a restriction of the ruled class, while the human rights of the ruled class are a restriction of the ruling class. In feudal society, persons had a right which ensured that they could not be arbitrarily slaughtered. This meant at the same time that the landlords could not arbitrarily slaughter the peasants, and this was a limit placed on the privileges of the landlord class. In capitalist society, private property is an inalienable right of property-owning individuals. This, at the same time, means that the workers must bear the exploitation of the capitalists. This is a restriction of the human rights of the working class. Even within the same class, the human rights of every individual are a restriction on every person who has dealings with this individual, meaning that they are unable to do as they please. In a world in which classes objectively exist, the idea put forward in some of the Western media that human rights are something which all mankind can jointly possess is completely deceptive. In this world, there are only specific, class-based human rights which are restricted by other people. There are no human rights which are abstract, supraclass and which do not involve or affect other people.

2. Abstract freedom and equality are not general yardsticks for human rights. The development of human rights and the improvement of human rights relationships is a long historical process by which mankind more and more deeply masters the environment and himself and thereby out of lack of freedom gains freedom and from inequality gains equality. In this sense, we can take freedom and equality as indicators for measuring the level of development of human rights. However, this measurement only has epistemological significance on a macrohistorical level, and when we carry out specific appraisal and comparison of human rights, it should not be applied indiscriminately. The class nature of human rights first determines that the class contents of human rights are different and that the class meanings of freedom are different. The freedom of one class is lack of freedom for another class which is antagonistic to it. Between mutually antagonistic classes, there cannot be any equality. Equality can only exist within one class. Thus, neither freedom nor equality are general yardsticks of human rights. Even seen from the meaning of human rights itself, there is a problem in using freedom and equality as yardsticks for measuring human rights.

Human rights, as society's recognition and definition of people as people, includes the affirmation of people's activities as well as the restriction of people's activities. It provides people with freedom but also restricts people's freedom. Human rights have always been a specific social unity between freedom and lack of freedom, and there have never been any human rights solely manifested as freedom. A unitary person existing completely isolated from the outside world has only the restrictions of nature and the restriction of his own abilities, but no social restrictions. Thus, in a social sense, he is completely free. Thus, he has the human right of complete freedom. However, this is not society and this person is not a social person. The life he lives is not a human life, but the life of an animal, and thus his human rights cannot be considered human rights. In addition, human rights also inherently contain a contradiction between freedom and equality. Equality is a restriction of freedom, while when freedom is taken to a certain threshold, it brings harm to equality. Thus, when using the two yardsticks of freedom and equality to realize human rights in life, it is necessary to place them within a framework of class analysis and dialectical thought. It is wrong to take freedom and equality as two abstract, unrestricted yardsticks of values. In this respect, the Western bourgeois theory of human rights has from the very beginning been stuck in metaphysics. In recent years, there have even been some people who say that human rights equal freedom and equality, and say that this was the view of the authors of the Marxist classics. Actually, Marx and Engels never indicated, in a general sense, that human rights meant freedom and equality. It was only when they were discussing some specific phenomena of human rights that they spoke of human rights as freedom and equality in a relative sense as compared to the phenomena of lack of freedom and lack of equality which they wanted to criticize, and they used this to develop their own social analysis and to achieve a new synthesis. Simply understanding human rights to be abstract freedom and equality is not in accord with the original ideas of Marx and Engels.

3. In the current world, safeguarding human rights and defending state sovereignty are linked together. Although many Western scholars only see the individual as the subject of human rights, in fact, regardless of whether we speak of an individual or a group of individuals, only when they exist within a society and assume social relations are they necessarily the subjects of human rights. Seeing the human rights of a country or a society only from the angle of the individual, as is done in Western bourgeois human rights theory, is one-sided. Human rights, as a comprehensive social relationship category, are manifested in the economic, political and cultural/moral spheres as respectively economic rights, political rights and cultural/moral rights. Determining the human rights of a particular country or society only from the angle of the degree of freedom of political expression clearly is superficial and biased. For example, in the view of Americans, the free expression of opinion is a right of the individual. However, in relations

between states, is it not the president or secretary of state who expresses the opinions? If everybody acts as they think fit in order to achieve the dignity of being a "world citizen," the country will not be a country. A world constituted by such countries will completely lose its order. Thus, in certain stages of history and some spheres of life, states, nations, political parties, groups and so on are the carriers of various collective rights. Simply understanding the collective and its representation as "autocracy" and expropriation of human rights is, at the least, a shallow understanding of human rights.

II. The Human Rights Practice of Socialist Society and its Superiority

The human rights practice of socialist society should be traced back to the history of struggle by which the proletariat participated in the bourgeois democratic revolution.

Beginning from the time when the bourgeoisie broke out of the cocoon whereby it only had the status of citizens during feudal times, the bourgeoisie was followed by its shadow—the proletariat. The demand for human rights by the bourgeoisie was also accompanied by demands for human rights by the proletariat, and the demands by the bourgeoisie for the abolition of feudal privileges were accompanied by the proletarian demands for the abolition of the privileges of all exploiting classes. Following the complete dismantling of the feudal system and the establishment of a capitalist economic and political order, ownership over the means of production was monopolized by the bourgeoisie and this became a new privilege. Thus, bourgeois human rights demands completely lost any positive significance. At this time, "the proletariat took the bourgeoisie at its word: Equality must not be merely apparent, must not apply merely to the sphere of the state, but must also be real, must also be extended to the social and economic sphere." (*Selected Works of Marx and Engels*, Vol 3, p 146) This demand broke through the narrow nature of the bourgeois human rights demands and expressed the advanced and thoroughgoing nature of the proletarian human rights conception.

From this we can see that beginning with its participation in the bourgeois democratic revolution to oppose feudal privilege, the proletariat has been struggling to realize its own human rights. Of course, what is being described here is primarily that which was stated by the authors of the Marxist classics with respect to the developed countries of Europe and America. In the Eastern countries, which at that time did not have a developed commodity economy, the mode of expression of the proletariat's demand for rights was necessarily different from that in the West. Nevertheless, the laboring class, who are the great creators of mankind's social history, will, as the proletariat, finally achieve, after a long struggle, complete human rights. This is an inevitable and irrepressible pattern. This determines that between the East and the West there exists a common history of development of human rights and a similar outcome

regarding human rights. When the socialist system appeared in the East, the efforts of the world proletariat to throw off the oppression brought by the privileges of the exploiting class and the revolutionary demand to realize a new distribution of human rights achieved the first great victory of decisive significance. With this, human rights with a brand new image appeared in the world.

In terms of our country, under the leadership of the CPC, the proletariat and the masses first used revolutionary violence to destroy the political basis on which the privileges of imperialism, feudalism and the bureaucrat-comprador bourgeoisie relied for their existence and maintenance. They then established a people's democratic dictatorship, led by the proletariat and based on a worker-peasant alliance, and thereby transferred the political rights which formerly belonged solely to the imperialist forces, feudal forces and bureaucrat-capital forces into the hands of the proletariat and the masses. On this basis, through the confiscation of bureaucrat capital and the socialist transformation of agriculture, handicraft industry and capitalist industry and commerce, they established a system of socialist public ownership of the means of production and a system of distribution according to work. This meant that the whole body of the laboring class became the holders of basic economic rights in society. This new distribution of human rights meant that the proletariat and the broad masses rose to become the main subjects of human rights relations in society, and meant that the exploiting classes lost the privileges they held previously as a ruling force. Socialist human rights are human rights of the majority, and the human rights of the people of the whole country. Following the establishment of the socialist public-ownership economy, the content of human rights expanded from the political sphere to the economic sphere. Some of the Western media say that China's revolution expropriated and trampled on human rights. This is completely different from the facts. The correct statement is that the Chinese revolution expropriated the privileges of the exploiting classes as rulers and oppressors and, at the same time, developed the human rights of the proletariat and the laboring masses. It goes without saying that for quite a long time after the establishment of New China, our development of human rights was not a completely smooth process and there even occurred setbacks such as the "Great Cultural Revolution." The 10 years of reform initiated a new stage in socialist development, raised the practice of socialist superiority to a new level, and thereby also wrote a new chapter in the human rights story. Today, the people of all nationalities throughout the country have, under the leadership of the party, upheld reform and opening up, opposed bourgeois liberalization and greatly developed the social productive forces. They are, with great enthusiasm, building socialism with Chinese characteristics and continually satisfying the ever-increasing material and cultural needs of the masses. Thus, the content of human rights has expanded from the political and economic spheres to the scientific,

educational and cultural spheres. Seen from the realities of socialist reform and its trend of development, the superiority of the practice of human rights in socialist society is mainly manifested in the following aspects:

1. Their wide-ranging nature. Those who enjoy human rights are not a small number of people and are not a few people from a specific class or strata. Rather, it is the entire body of Chinese citizens. The wide-ranging nature of human rights in socialist society is not only manifested in the economic, political, cultural and social aspects, but also manifested in ethnic relations and international relations. In terms of ethnic relations, the brotherly nationalities of our country all have equal rights and the rights of the nationalities are fully manifested in aspects such as autonomy in areas where minority nationalities are concentrated. In international relations, our country first advocates the five principles of peaceful coexistence and upholds a foreign policy which does not interfere with the sovereignty or internal affairs of other countries, and pursues a policy of equality of all countries regardless of whether they are large or small. Meanwhile, human rights in capitalist society have always been fragmentary and incomplete. The U.S. "Bill of Rights" was the first to recognize human rights in a legal form. But, "at the same time, it continued the slavery of the colored races existing in America," whereby "race privileges were sanctified." (*Selected Works of Marx and Engels*, Vol 3, p 146) In terms of international relations, the former U.S. President Wilson, in a foreign affairs program during World War I, declared: "We are participants in world affairs, and the interests of all countries are our own interests.... Affairs which affect all mankind are our affairs." (Robert E. Osgood, *Ideals and Self-Interest in America's Foreign Relations: The Great Transformation of the 20th Century*, Chicago, 1964, English-language edition, p 189) This statement officially discarded the interests concept of national independence and national self-determination established by the 1776 Declaration of Independence.

2. Their fairness. At all times in history, "practically all rights were given to one class." (*Selected Works of Marx and Engels*, Vol. 4, p 174) The entirety of human rights were monopolized by the small number of exploiters. The high-sounding stipulation in bourgeois law that workers have "human rights which cannot be expropriated" is not only a decoration of capitalist society's human rights relationships, but also an indispensable condition for the actual privileges of the bourgeoisie. Under socialist conditions, all of our country's citizens are equal before the law. Every citizen has the right to participate in and discuss politics; to participate in economic, cultural, and educational management; and to fulfill their own responsibilities as masters of the country. Even that small number of reactionary elements who are hostile to the working class and the broad laboring masses, provided that they are not major evildoers or criminals, are also given the right to exist and the right to develop enjoyed by the general members of

society, and are allowed and encouraged to reform and turn over a new leaf. That is to say, in socialist society only a very small number of people lose their privileges as rulers, and this is something which no other society in history can claim.

3. Their truthfulness. Whether human rights are real human rights or specious "human rights" is the difference between socialist human rights and capitalist human rights. Although the "human rights" of capitalist society have, on the formal level, a "universality," they are very deceiving. On the economic level, it seems that everyone can become a magnate, and on the political level, it is as if everyone can stand for president. However, these aspects are all superficial processes. Capitalist elections are only a means by which the toiling masses give a boost to the bourgeois politicians. Capitalist society is a society of impoverished human rights. In those societies, "human rights" have become completely "capitalized." In socialist society, although the public ownership rights over the means of production are not directly controlled by each member of society, their existence and benefits truly serve the broad masses of laborers. In employment, social security, welfare benefits and municipal administration, people truly enjoy these rights. On this basis, human rights on the political level of the working class and the broad laboring masses are also real. Socialist democratic politics are essentially a process by which the working class and the broad laboring masses use and employ political rights, and this manifests their basic interests and common will.

4. Their collective nature. Socialist human rights also stress the collective human rights of the state. While individual human rights are important, without the human rights of the people of the whole country, there can be no individual human rights. The collective human rights of the people of the whole country are the basis and guarantee of individual human rights. Capitalist human rights were molded by an overall social mechanism based on private ownership of the means of production, and the individual status of human rights is very marked. These human rights are individual both on the formal level and the operational level. In socialist society, the individual is of course the main subject of human rights and every citizen has rights in diverse spheres including the economy, politics, culture and society. However, the formation of these rights is primarily determined by the system of public ownership of the means of production and the overall strength of society. Only in this way can individual human rights be formed. If the public ownership system and the social entirety brought together by that system cease to exist, the broad laboring masses will again fall back to being wage labor and they will lose the various rights they once had as masters of society. Thus, in socialist society, individual human rights have the existence and operation of collective rights as a precondition. The human rights of socialist society have a strong collective nature.

5. Their thoroughgoing nature. The contents of our country's human rights are continually being enriched

and expanded. Socialist society has communism as its final goal. In communist society, every person will have freedom and overall development and will have the most complete recognition and affirmation by society. At that time, human rights will see great development and the human rights relationships of society will be greatly simplified. This shows that at present socialism is the most ideal, most thoroughgoing and most promising system for guaranteeing and developing human rights. The solely individual nature of human rights in capitalist society can only lead to the continual intensification of internal human rights struggle. Such a society will inevitably be replaced by socialist society.

III. Why the Western Bourgeoisie Attack China's Human Rights

The Western bourgeoisie are excessively critical and spread distortions about human rights in our country and also engage in all sorts of fault-finding. They have a political aim in doing this.

Our country, as an open socialist country, is willing, in international forums, to engage in equal discussion and exchange of views on human rights. All sorts of beneficial suggestions which are helpful in safeguarding national sovereignty and developing the human rights of China's working class and the broad masses will be welcomed and accepted. However, some people, on the pretext of "human rights," interfere in our country's internal affairs. This absolutely cannot be permitted.

Some people of the Western bourgeoisie are not really concerned about human rights of the Chinese people. Rather, they hope to see socialist China collapse into disorder. In recent years, a very small number of national separatist elements in our country have incited a mood of ethnic antagonism in Tibet and other regions, created ethnic disputes and instigated ethnic clashes. This has created very great difficulties in the production and lives of the people of all nationalities in the border areas, thereby seriously violating the human rights of the people of all nationalities in those areas. In response, have these Western people been critical of those actions? No, they have not! In the spring and summer of 1989, a very small number of the "elite" in Beijing and other areas created turmoil and engaged in counterrevolutionary rebellion. This seriously interfered with the order of production and life in Beijing and in many cities throughout the country. On the economic and political level, this seriously harmed the human rights of the masses. In response, were these Western people critical of those activities? No, they were not! In addition, a small number of people with ulterior motives have scurried into the Chinese mainland to engage in all sorts of illegal activities, wantonly created disturbances, seriously trampled on the Chinese people's dignity and violated the human rights of the Chinese people. In response, did these Western people criticize those actions? No, they did not! In response to these various incidents of violation of human rights, not only have these Western people not been critical, but they have,

from behind the scenes, provided them with support, provided counsel for them and encouraged them. However, when the masses of people, under the leadership of the party and the government, curb these illegal activities in order to safeguard the people's basic interests, these Western people fly into a rage, attack the Chinese Government for "trampling on the people's rights" and say that China "does not have freedom of speech." It can be seen that what concerns some of the Western bourgeoisie and what they want to safeguard is only the human rights of those persons who are hostile to and oppose socialist China, and what they attack is the human rights of the Chinese people and Chinese national sovereignty. They are not supporting the pursuit of human rights by 1.1 billion Chinese people, but the pursuit of human rights by a small group of counterrevolutionary elements, using their own standards of right and wrong. This shows that the struggle centered on Chinese human rights is essentially an international struggle between monopoly capitalists and the proletariat, between imperialism and socialism. They use the weapon of "human rights" to attack China's policies because they want the Chinese people to abandon national unity and the socialist road. Thereby, the working class and the broad masses of people will abandon their own interests and this will facilitate the revival of the exploiting classes in China and the establishment of an interests structure and order where the proxies of the Western bourgeoisie dominate. This will result in the sovereignty of the Chinese nation being subordinated to the leadership of the Western powers. It is very clear that their criticism of China on the question of human rights is a part of their counterrevolutionary strategy of "eliminating communism throughout the world." Their true aim lies in attacking socialist countries, stifling the struggle for human rights by the international proletariat and oppressed people and safeguarding the ruling order of international monopoly capitalism.

The human rights diplomacy of Western governments and the malicious attacks by some people require rational refutation and the revealing of the speciousness and hypocrisy of their claims. They also require an understanding from a historical materialist viewpoint. That is to say, this struggle must be viewed as an inevitable phenomenon in the history of mankind's development.

Since the beginning of modern society, virtually all nations and states have been filled with the struggle between the proletariat and the bourgeoisie. In particular, the high degree of socialization of the productive forces and the transnationalization of exploitation by capital has promoted the strengthening of the globalization of mankind's social and economic life and the formation of a world market. This has meant that the world has become a place where the various nations and states influence each other, permeate each other and restrict each other. In this process, each class tries to change the world in accordance with its own image.

Thus, the struggle between the proletariat and the bourgeoisie which formerly took place within individual nations and states has now taken the stage of world history. The various types of lack of accord and friction between socialist states and capitalist imperialist states in international relations, and even struggle and contention between them, are to a greater degree reflections of this contradiction. The divergences and struggle between these two sides on the question of human rights show that the international proletariat and the international monopoly capitalists are firmly trying to change the world in accordance with their own images. The U.S. monopoly capitalists and their government have always used the weapon of human rights against socialism and the international proletariat and in this they are overwhelmingly ambitious and making painstaking efforts.

Capitalism will inevitably die out and socialism will inevitably be victorious. This has been firmly proved by theory, while in practice there have already been wide-ranging tests and scientific judgements. Although the development of socialism is at a low tide and it has seen some complications, it will in the end surge forward with an unstoppable force. Seen in this sense, Western monopoly capitalism's vilification of our human rights only reflects their own dejection and panic and their unwillingness to resign themselves to decline and defeat. We should firmly travel our own road, continue to tap and develop the superiority of the socialist system, and further safeguard and develop the human rights of the working class and the broad masses of people.

China Youth League Meets on Nationalities Work

*OW2702044092 Beijing XINHUA Domestic Service
in Chinese 0850 GMT 26 Feb 92*

[By reporter Huang Woyun (7806 5257 0061)]

[Text] Chengdu, 26 February (XINHUA)—The Communist Youth League [CYL], a powerful force, will fully play its role as a new force in accelerating economic development among minority groups and in minority areas. The ongoing nationalities work conference held by the CYL in Liangshan Yi Autonomous Prefecture, Sichuan Province, has urged all CYL members to unify and lead youths of all nationalities throughout the country to make greater contributions to the unity and prosperity of minority nationalities.

Autonomous minority areas account for roughly 64 percent of our country's territory. Despite a wealth of natural resources, these areas are relatively backward in scientific and cultural terms and comparatively poor in material terms. China's ability to sustain its economic development depends, to a considerable extent, on the exploitation of resources and economic development of minority areas. The same is true with prospects for China's economic development.

The conference noted: Working under the central theme of developing the economy in minority areas, the CYL should reinforce the concept that science and technology

are the primary productive forces and should energetically develop the intellectual resources of youth. In particular, minority areas urgently need to disseminate scientific and technological information, to conduct training in science and technology, and to promote scientific and technological development. Besides serving as "young spark pioneers" themselves, CYL members should train large numbers of such pioneers.

Meanwhile, ideological education should in no way be neglected. CYL members will find their bearings for advance only if such education is carried out. The conference called for conducting education on patriotism, on Marxist views and policies regarding nationalities, and on reform and opening concepts among CYL members of all nationalities under the guidance of socialist ideological education.

The conference noted emphatically: Instead of indulging in idle talk, it is necessary to perform practical deeds. Formalism and unrealistic ambitions should be avoided by all means. It is essential to uphold result-oriented, scientific, and practical principles, to perform tasks that are within reach, and to ensure success in every task that is performed.

State Vice Premier Wang Zhen sent a letter to the conference exhorting CYL members of all nationalities to make greater efforts to promote the vigorous development of minority nationalities and of the Chinese nation as a whole.

At the conference, Song Defu, first secretary of the CYL Central Committee, delivered a speech entitled "Unify and Lead Young People of All Nationalities Throughout the Country To Eliminate Poverty and March Toward Common Prosperity." Responsible comrades from the State Nationalities Affairs Commission and the Sichuan provincial CPC Committee attended the conference.

Report on Nationalities Work in Four Regions

*HK2702123492 Beijing RENMIN RIBAO in Chinese
19 Feb 92 p 4*

[Report: "Further Progress Made in Nationalities Work in Mongolia, Tibet, Guangxi, and Ningxia"]

[Text] The party committees of Inner Mongolia, Tibet, Guangxi, Ningxia, and other regions have conscientiously implemented the central nationalities work conference guidelines and mobilized cadres and people of all nationalities to further strengthen nationality solidarity, safeguard the motherland's unity, and speed up the pace of the regions' reform and opening up to the outside world.

The Inner Mongolian Autonomous Regional CPC Committee Enlarged Standing Committee Meeting held a few days ago decided: Unity in understanding should be focused on the party's basic line and the central nationalities work conference guidelines; party committees and governments at all levels and all fronts of endeavor

should do good and solid things and contribute more to the unity among all nationalities in Inner Mongolia; and efforts should be made to closely coordinate the region's work in all fields and bring it in line with the Eighth and Ninth Five-Year Plans.

The Tibet Autonomous Regional CPC Committee and Government conducted a special study of how to implement the central nationalities work conference guidelines. At a meeting of party-member cadres, on behalf of the regional party committee and government, autonomous region Chairman Gyaincain Norbu pointed out: The current struggle centering on the "Tibet issue" is very severe. Only when a solid job is done in nationalities work and national unity is enhanced can the cause of building socialism with Chinese characteristics be continuously carried forward. He urged all departments and units in the region to discuss and study, in the light of their own work, which reform measures we should to stabilized, and which special policies and preferential measures we should further implement, and raise practical and effective proposals to the government. All localities and departments should combine the study of the issues with their own long-term plans or plans for specific trades, keep in mind the future, and consider problems from a long-term perspective.

After studying the central nationalities work conference guidelines in earnest, the Guangxi Zhuang Autonomous Regional CPC Committee made the following arrangements: Within the next few days, departments concerned will be organized, with regional leaders taking charge, to go down to the grass-roots units to conduct study and make investigations, sum up the achievements and main experiences in the nationalities work of various localities and units, study the problems and deficiencies in nationalities work, and come up with suggestions and solutions. On the basis of such study and investigation, a document will be worked out in the light of the region's actual conditions to improve nationalities work. The autonomous regional party committee and government also planned to open "a special economic development zone in Guangxi's minority nationality border area" by using the region's strong points in border trade and, at the same time, it suggested developing the Shishan ["stone hill" 4258 1472] area in western Guangxi.

According to the five arrangements the Ningxia Hui Autonomous Regional CPC Committee made recently, apart from earnestly studying the central nationalities work conference guidelines, cadres at all levels and the broad masses of people are also required to have a tight grip on economic construction as the center and carry forward all undertakings. Efforts will be made to do a further good job in the training and selection of nationality cadres, attach importance to and properly handle the religious issue, carry out more study and investigation, and prepare for the convening of the region's nationalities work conference. According to the autonomous regional party committee and government plan,

efforts will also be made to further carry out the aid-the-poor work well; build more infrastructures in telecommunications, communications, and other industries in the western mountainous area where the Hui nationality lives in compact communities; and energetically improve the people's production and living conditions there so that the economic and social development of the counties in the mountainous area will be commensurate with that of the region as a whole.

Ding Guangen, Others Speak at Religion Conference

OW2502224792 Beijing XINHUA Domestic Service in Chinese 1324 GMT 25 Feb 92

[By reporter Zheng Qingdong (6774 1987 2639)]

[Text] Beijing, 25 Feb (XINHUA)—The national conference of heads of religious affairs bureaus ended in Beijing today after a five-day session. The conference called on all local authorities in the country to continue to fully and properly implement the policy of religious freedom, maintain the stability and continuity of the policy, improve the management of religious affairs according to law, do a good job in rallying and educating religious personages and believers, and consolidate and broaden the patriotic united front of religious circles so that religious affairs can promote stability and unity and serve economic construction even more satisfactorily.

The meeting pointed out: As far as religious affairs are concerned, 1991 was a year with exploratory successes. On the whole, the state of religious affairs was good and was still improving. In that year, with even higher awareness of the importance of religious affairs, all party members and cadres continued to earnestly implement religious policies, legislation of religious policies made new headway, and religious personages and believers contributed positively to socialist construction.

The meeting fully endorsed the successes achieved in religious affairs. It clearly specified this year's assignments and priorities, pointing out the necessity to create a new situation for China's religious affairs this year.

The meeting stressed: In accordance with the guidelines of the party Central Committee, efforts should be made this year to improve work style, firmly implement guidelines, and go deep into the realities of life to conduct investigation and study and solve practical problems. Attention should be directed to giving full scope to the roles played by religious groups, and to rallying religious personages so that we can accomplish our jobs properly and greet the convocation of the 14th National Party Congress.

Ding Guangen, alternate member of the Political Bureau, member of the Secretariat, and head of the United Front Department of the CPC Central Committee; and State Councilor Chen Junsheng made important speeches at the conference. Zhang Shengzuo, deputy head of the United Front Department of the CPC Central Committee; and Ren Wushi, director of the

State Council Bureau of Religious Affairs, also addressed the conference. Over 100 people—including leading comrades of religious affairs bureaus of all provinces, autonomous regions, and municipalities directly under the central government, and relevant departments under the CPC Central Committee and the State Council—attended the conference.

Li Peng, Jiang Zemin Pen Inscriptions for Museum

OW2602141292 Beijing XINHUA in English
1251 GMT 26 Feb 92

[Text] Hangzhou, February 26 (XINHUA)—The China Silk Museum, the first of its kind in China, opened this afternoon in Hangzhou.

The museum includes a reception hall, a historical relics hall, a folk customs hall, a silk worm and mulberry hall, a silk-processing hall, a silk-knitting hall, a printing and dyeing hall, and a modern achievements hall.

The museum marked its opening by hosting special exhibitions—an exhibition of silk cultural relics and treasures from six provinces and cities, and an exhibition of silk relics from the southern Song Dynasty which were discovered in Dean County, Jiangxi Province. The exhibitions feature more than 1,000 relics, as well as modern tools and contemporary silk products.

The museum grounds, which are located on the southern shore of Hangzhou's west lake, cover five hectares, while the building itself has a floor space of 12,000 square meters.

Over 5,000 years ago China was the world's first country to produce silk, and the new silk museum will enable people to learn more about the country's silk culture.

Jiang Zemin and Li Peng penned inscriptions for the museum, while Zhao Puchu penned the name.

Wan Li Speech to NPC Standing Committee

OW2502132192 Beijing XINHUA Domestic Service
in Chinese 0806 GMT 25 Feb 92

[Speech by Wan Li to the 24th Meeting of the Standing Committee of the National People's Congress (NPC) in Beijing on 25 February]

[Text] Beijing, 25 February (XINHUA)—During this meeting of the Standing Committee, Minister of Geology and Mineral Resources Zhu Xun made a report on the implementation of the Law on Mineral Resources. A few members of the Standing Committee also spoke in connection with this matter. Although implementation of the law has yielded results, there are also numerous problems. Conscientious efforts must be made to solve them. Currently, our central task should be to broaden our sources of income and reduce expenditures. This is because mineral resources are nonrenewable resources. China is rich in mineral resources, but it is poor in mineral resources, if per capita amount of resources is

taken into account. Therefore, it is our fundamental national policy to protect mineral resources, economize, and use resources rationally. This is important to the welfare of our posterity and to environmental protection. The NPC [National People's Congress] Standing Committee, the State Council, and various provinces, autonomous regions, and municipalities directly under the central government should continue to strengthen this work. The building of geological contingents should be strengthened. I hope that surveys of the implementation of the Law on Mineral Resources will continue. Various localities may add some additional relevant laws and regulations in order to resolutely end indiscriminate mining.

Comrade Li Zhen, chairman of the Standing Committee of Shandong Province's People's Congress, made a good speech on surveys of the implementation of the Enterprise Law. Members of the Shandong Standing Committee have made great efforts to survey the implementation of the Enterprise Law, achieving marked results. This method has once again shown that only enacting a law is not enough. After a law is enacted, efforts should be made to see that it is implemented. Carrying out a survey of the implementation of laws is a necessary measure for strengthening the socialist legal system. The Standing Committees of the people's congresses of Shandong Province and other provinces, autonomous regions, and municipalities directly under the central government have done a good job in this respect. They should keep up this work.

People throughout the country are implementing in an all-around way the party's basic line of "one center, two basic points" in a bid to speed up reform and opening to the outside world and to concentrate on developing the economy. To push forward our four modernizations drive, we must do things simultaneously; that is, while undertaking economic construction, reform, and opening to the outside world, we must strive to improve legislation. Democracy and legislation are the hallmark of the degree of modernization of a country. Socialist modernization cannot be achieved without a high degree of socialist democracy and a sound legal system. Neither can long-term stability be achieved. This has been consistently emphasized by Comrade Deng Xiaoping. In the past decade or so, our country has made some progress in developing democracy and building the legal system, but we have to be aware that our country lacks the tradition of a democracy and legal system due to its few thousand years of feudal society in the past. To develop a true socialist democracy and legal system remains a very arduous task. Currently, the most serious complaints of the masses are that laws are not strictly observed and enforced and that lawbreakers are not punished. Even more, in some localities and departments the problems of substituting laws with personal commands or stifling laws with personal authority are rather serious. At a meeting last year of the People's Congress of Lianghe Township of Anhui's Jinzhai County, a candidate for township head nominated by local leaders was not

elected; instead, a candidate jointly nominated by congress deputies was elected by majority vote. After the election, local leaders were so daring as to claim that the election was invalid and refused to recognize the elected township head. The matter was settled only recently with our intervention. I am afraid that this is not an isolated case. It takes joint efforts by all departments concerned to solve problems of this kind. Supervising the enforcement of law is an important function and duty of people's congresses at all levels, and reviewing how law has been enforced is an important form of carrying out the people's congress' supervision duty.

As early as last year, we stressed that we must place enactment of laws and supervision and review of law enforcement in positions of equal importance. We should review and supervise enforcement of all laws; in particular, we should step up supervision and review of enforcement of the constitution. The constitution is the nation's fundamental law and the norm for behavior of all state organs, organizations, and individuals. No organs, organizations, or individuals are allowed to enjoy the privilege of not complying with the constitution or the law. Those violating the constitution or the law must be resolutely corrected, so that the constitution and the law are truly used to unify the behavior of the people across the country and to ensure steady political, economic, and social development. People's congresses at all levels should justly and forcefully supervise enforcement of law. The NPC Standing Committee has decided to concentrate this year on reviewing how the Enterprise Law, the Mineral Resources Law, the decision on making comprehensive efforts to tackle social problems, and other laws and decisions have been enforced. The NPC Standing Committee suggests that, before this year's Fifth Session of the Seventh NPC, people's congress Standing Committees in all provinces, autonomous regions, and municipalities should, as the Shandong Provincial Peoples' Congress Standing Committee has done, inspect the enforcement of the Enterprise Law. Promotion of the socialist modernization drive with economic construction as its focus should not only rely on economic and administrative means; it also must rely on legal means. Faithfully implementing the Enterprise Law and invigorating large and medium-sized state-run enterprises are both an economic problem and a major political problem, a problem that will show if the socialist system has its virtues. All state organs should take the lead in studying and enforcing the law and in ensuring that all laws are truthfully enforced. People's congresses especially should not shirk their responsibility in this regard. We should review how law has been enforced and take other effective measures to supervise law enforcement. If nearly 3 million people's deputies and people's congresses at all levels and their Standing Committees take the lead in abiding by the law and in ensuring the enforcement of all laws, I am sure that we will make a giant step forward in promoting our country's democratic rule.

One Country, Two Systems, Reunification Discussed
HK2402151792 Beijing RENMIN RIBAO OVERSEAS EDITION in Chinese 19 Feb 92 p 5

[Article by Xu Guangren (1776 0342 0088): "On Basic Spirit of 'One Country, Two Systems'—On China's Reunification as Viewed From Hong Kong Basic Law"; originally published in TONGYI LUNTAN (UNITED TRIBUNE) No. 1, 1992]

[Text] The proposal to set up a special administrative region and to practice "one country, two systems" was originally put forward by the CPC and the Chinese Government for the peaceful reunification of Taiwan, but was first successfully applied to the settlement of the Hong Kong and Macao issues. It has shown its great vitality, and its feasibility has been proved in the formulation and promulgation of the Hong Kong Basic Law.

1. The implementation of two different social systems in one country and having this stipulated in the Basic Law is unprecedented in the world, which has fully displayed the great political wisdom of the Chinese people.

The formulation of the Hong Kong Special Administrative Region [SAR] Basic Law was to work out in detail and legalize the principle and policy of "one country, two systems." The Basic Law definitely stipulates that the Hong Kong SAR is to exercise a high degree of autonomy and enjoy executive, legislative, and independent judicial power, including that of final adjudication; the socialist system and policies shall not be practiced in the Hong Kong SAR, and the previous capitalist system and way of life shall remain unchanged for 50 years; and the laws previously in force in Hong Kong shall be maintained (Articles 2, 5, and 8 of the Basic Law). These stipulations provide a legal guarantee for Hong Kong's prosperity and stability, ensuring that the SAR will enjoy a high degree of autonomy with very extensive autonomous power.

Taking the executive power as an example, the Basic Law stipulates that the Hong Kong SAR shall be vested with executive power. It shall, on its own, conduct the administrative affairs of the region in accordance with the relevant provisions of the law. It also concretely stipulates that the SAR shall have autonomous power in various fields such as finance and economy; industry, commerce, and trade; communications and transport; development and management of land and natural resources; education and science and technology; culture and sports; public security; and control of entry into and departure from the region. Other provisions are: The SAR shall have independent finances, and financial revenues shall not be handed over to the state; the central authorities shall not levy taxes in the SAR; the SAR shall, on its own, formulate monetary and financial policies; the Hong Kong dollar shall be the legal tender in the SAR, and the authority to issue Hong Kong currency shall be vested in the government of the SAR; and the Hong Kong SAR shall be a separate customs territory. In

addition, the Basic Law also stipulates that representatives of the Hong Kong SAR Government may, as members of delegations of the PRC Government, participate in negotiations at the diplomatic level directly affecting the region, and the SAR may, on its own, using the name "Hong Kong, China," maintain and develop relations and conclude and implement agreements with foreign states and regions and relevant international organizations in the appropriate fields, including the economic, trade, financial and monetary, shipping, communications, tourism, and cultural and sports fields. For instance, the Hong Kong SAR may, using the name of "Hong Kong, China," participate in the GATT.

The aforementioned autonomous power fully shows the feasibility of the principle and policy of "one country, two systems," and becomes an example for the reunification of China. The CPC Central Committee and government leaders have repeatedly stated that after reunification, Taiwan will have greater and more extensive autonomous power than Hong Kong and Macao. Taiwan will implement the capitalist system, and its original economic system; way of life; and economic, trade, and cultural relations with foreign countries will remain unchanged for a long time to come. Neither the mainland nor Taiwan should swallow up the other side. They should show mutual respect, do no harm to each other, and strive for long-term coexistence and common prosperity. Apart from exercising a high degree of autonomy and enjoying executive, legislative, judicial, and final adjudication power, as well as a certain power in foreign affairs, Taiwan will also have its own army and requisite weapons to be bought from foreign countries (so long as they do not infringe upon the interests of the reunified country). The mainland will not send troops or administrative personnel to Taiwan, and the central authorities will not intervene in Taiwan's internal affairs. The central government will retain a certain number of positions for Taiwan so that the Taiwan authorities and representatives from various sectors can take up leading posts in the nationwide power organs to participate in state administration. After reunification, the above practices can be worked out in detail and legalized in the form of a basic law, thus ensuring the prosperity and stability of the SAR. This is also feasible.

2. The Hong Kong Basic Law is a law with which the people of the entire country, including the great majority of the Hong Kong compatriots, are satisfied. It ensures that the Hong Kong residents will have a place to live and work in peace and contentment, to make greater development, and to obtain better benefits.

The Basic Law fully safeguards the extensive rights and freedoms of the Hong Kong residents, providing protection in a very wide scope and at multiple levels. It prescribes the rights and freedoms not only of Hong Kong's permanent residents, but also of other people in the Hong Kong SAR. The Basic Law definitely stipulates that all Hong Kong residents shall be equal before the law, and have the right to vote and the right to stand for election in accordance with law. They shall have freedom

of the person; freedom of speech, of the press and of publication; freedom of assembly, of association, of procession and of demonstration; the right and freedom to form and join trade unions and to strike; freedom of communication; freedom of movement and of travel; freedom of choice of occupation; freedom to engage in academic research, and literary and artistic creation; freedom of conscience; freedom of marriage and the right to raise a family freely, as well as the right to protect their homes and other premises, private property, enterprise ownership, and legal inheritance of property. Article 39 of the Basic Law also stipulates: The provisions of "the International Covenant on Civil and Political Rights," "the International Covenant on Economic, Social, and Cultural Rights," and international labor conventions as applied to Hong Kong shall remain in force and shall be implemented through the laws of the Hong Kong SAR. The aforementioned stipulations regarding the rights and freedoms of the residents in the Hong Kong SAR summarize the main aspects of the above-mentioned three international conventions. Here, Article 39 once again makes a stipulation of principle on the relations between the three international conventions and the laws of the Hong Kong SAR, thus protecting the rights and freedoms of the Hong Kong residents in a more extensive and comprehensive manner.

After Hong Kong returns to the motherland, various rights and freedoms of the Hong Kong residents will be safeguarded. Moreover, thanks to the combination of Hong Kong's advantages with those of the mainland, Hong Kong will become even more prosperous, and the living standard of the Hong Kong residents will be further enhanced. Similarly, after Taiwan is reunified with the mainland, the various rights and freedoms of the Taiwan people will be fully safeguarded by law, and the economy and trade across the strait will certainly undergo a better development, as both sides of the strait can give full play to their respective advantages on an equal, mutually beneficial, mutually complementary, and reciprocal basis. Once direct navigation is realized, intermediate links will be cut down substantially and freight costs will be reduced.

3. The Hong Kong Basic Law and the principles and spirit of seeking common ground while reserving differences and of democratic consultation embodied in the course of drafting the law should and can be taken as the principles and spirit in guiding the future reunification of Taiwan and the mainland.

It took four years and eight months to formulate the Hong Kong Basic Law. The drafting work was completed with the close attention and extensive involvement of the whole nation, especially the vast number of Hong Kong compatriots and personalities of various circles. It really is an embodiment of democracy as well as the wisdom and creativity of a large number of people in Hong Kong and the mainland. From it, we obtained this enlightenment: So long as we proceed from the well-being of the people and the interests of the country,

establish contact and hold negotiations, all problems can be resolved step by step. Although China and Britain are involved in the issue of Hong Kong returning to the motherland, still it can be settled through negotiations in the spirit of seeking common ground while reserving differences. As we are all Chinese, admitting only one China and the fact that Taiwan is an inseparable part of China, why can we not value the national interest above everything else, seek common ground while reserving differences, and realize the reunification of China under the pattern of "one country, two systems"?

Borders Among Nine Provinces, Regions Redefined

OW2602062992 Beijing XINHUA in English
0551 GMT 26 Feb 92

[Text] Beijing, February 26 (XINHUA)—China has redefined 5,000 kilometers of provincial borders among nine provinces and autonomous regions is going smoothly. [sentence as received]

This is a trial step in the country's work of redefining provincial borders.

Sources at the Ministry of Civil Affairs revealed that 400 km of the 5,000 km of demarcation lines had been determined by the end of last year, and boundary markers had been set up along over 3,000 km.

Meanwhile, the border lines between counties and prefectures within each province, municipality and autonomous region are also being demarcated. The Xinjiang Uygur Autonomous Region has redrawn all its 31,000 km of county-level border lines.

The ministry has also settled 1,180 km of disputed provincial border lines during the past few years.

According the sources, it is the first time China has checked its domestic boundary lines since the founding of the country in the late 1940s. Disputes had occurred frequently during the past decades over boundary issues.

To guarantee domestic stability and to enhance economic development, the State Council decided in 1989 to start the trial work of redrawing the demarcation lines between Xinjiang Province and the Ningxia Hui and Inner Mongolia autonomous regions, and between Qinghai, Gansu, Jilin, Hebei, Shandong and Shaanxi provinces.

Restrictions on State-Funded Students To Tighten

HK2502125492 Hong Kong ZHONGGUO TONGXUN
SHE in English 1157 GMT 25 Feb 92

[Text] Guangzhou, February 25 (HKCNA)—The mainland will ease restrictions on university students wishing to study abroad at their own expense in a work-study programme under the export of labour service while stricter restrictions will be placed on those wishing to go abroad for further study at public expense, according to the Ministry of Personnel.

The Deputy Director of the Ministry, Mr Jiang Guanzhuang, speaking of the recent boom in the number of young intellectuals rushing abroad, pointed out that the brain drain was a universal problem. The flow of talent from developing countries into the Western developed countries was phenomenal and causing great loss to the countries which they left. The going abroad wave of young intellectuals from the Mainland is ongoing and those tending to stay abroad pose a threat to the stability of the scientific and technological ranks at home.

The authorities found it impossible to totally restrain the rush of young people wishing to go overseas because the sending of students abroad is a must for reform and opening to the outside world as well as for the upgrading of the professional standards of young and middle-aged intellectuals.

As for students studying abroad at their own expense through the labour service system, a proper relaxation of restrictions on them should be taken into account, Mr Jiang said. He added that administration had to be strengthened for those studying abroad at public expense. Various measures and methods had to be tried to attract back home those showing little interest in returning to the motherland. Professional knowledge and talent possessed by those remaining overseas should be tapped in order to serve their country.

With an eye to a radical solution to the outflow of talent, the domestic economy and education should be improved in order to promote the training of talents.

Beijing 'Enthusiastically' Promotes Housing Reform

HK2502132792 Beijing RENMIN RIBAO
in Chinese 7 Feb 92 p 1

[Report: "Beijing Municipality Enthusiastically Promotes Residential Housing Reform"]

[Text] Beijing, 6 Feb (RENMIN RIBAO)—Proceeding from actual reality, Beijing municipality adopted various forms, from easy to difficult, to continuously improve the measures for promoting the residential housing reform experiments. By the end of 1991, the housing reform involved housing space of 42 million square meters, accounting for 90 percent of the municipality's total housing space and recovering individuals' incomes of 230 million yuan. A benign cycle has appeared in some districts and counties which took the lead and made progress in housing reform.

The Beijing municipal government selected 11 different types of organs, enterprises, and institutions in 1988 to undergo the housing reform experiments. More than 1,000 new and old flats were then sold at preferential prices. In the following year, the experiments of readjusting the rent, building houses in cooperation, and selling houses at market prices were extended to 100 units. Comprehensive housing reform was introduced in 10 remote districts and counties in 1990. The 27 projects started in 1991 involved an area of 1.5 million square

meters. Of this, 500,000 square meters of housing space have been completed, 800 families have moved to new houses, and some 4,000 families have moved from dilapidated old houses to new residential houses. In 1991, the units directly under the eight suburban districts brought 2.2 million square meters of houses into line with housing reform. Of this, six districts took immediate action. Rent of the 15.8 million square meters of housing under the district housing management bureau will be increased in three stages commencing 1 January 1992 to 0.55 yuan per square meter in 1 January 1994. The bureaus and corporations under the municipality introduced housing reform for their 16 million square meters of public housing, accounting for 80 percent of the total. Reform of the 3.3 million square meters of public houses of the 23 development companies under the municipality was carried out together with housing reform of the public houses directly under the municipal authority.

In the deepening of housing reform over the past four years, Beijing municipality introduced the following 11 forms: selling new and old houses at preferential prices; selling houses at market prices; pooling funds and building houses in cooperation; introduced housing reform in connection with renovation of old houses; new rent for new houses; gradually increasing the rent of existing houses; collecting leasing guarantee funds to make up for the rent; collecting housing construction turnover funds; increasing rent of those living in larger houses; establishing a housing provident fund; and establishing a government housing fund at the unit, municipal, and county levels.

These housing reform forms turned out good results and accelerated the pace of housing construction.

Government 'Pressing Ahead' With Housing Reform

OW2102180492 Beijing XINHUA in English
1547 GMT 21 Feb 92

[Text] Beijing, February 21 (XINHUA)—China is pressing ahead with nationwide housing reform following a four-year experimental period, and is thus signaling an end to the forty-year old system of free housing.

While sales of apartments and increased rents are two main aspects of the reform program, local governments are allowed to draft flexible policies to alleviate the impact such changes will have on local citizens.

Most cities have adopted a program of step-by-step rent increases. For example, rent in Beijing will have been increased three-fold to 55 fen (about 0.1 U.S. dollars) per square meter by the end of 1994. At that time rent costs will account for some five percent of the average citizen's monthly income.

Those Chinese citizens whose living depends on social relief are not included in the reform scheme, while retirees with relatively small pensions will receive state subsidies.

At present, apartments are being sold at "preferential" prices of between 260-400 yuan (50-70 U.S. dollars) per square meter—a low price just to cover construction costs.

While a two-room apartment will cost a family an amount equal to three years' total income, a program which allows payments by installment and is somewhat more affordable.

Most houses are being sold at the market price which is usually seven times more than the preferential price. Such houses are being sold to those considered "people who are getting rich first," but who are plagued by housing problems.

The reform measures also include programs allowing people to pool their money to construct housing, issue housing bonds, as well as raise special housing funds which are funded jointly by the state, individuals and work units.

Since China's more than 900 million Chinese peasants have an age-old tradition of building their own houses, the reform drive involves only residents in cities and towns.

The official in charge of the nationwide housing reform campaign said that the essence of the reform is "from the people, for the people." He pointed out that the funds provided by individuals and the government will help to increase the speed of housing construction, and will thus ease current problems, including cramped living space and the acute housing shortage.

At present, about eight million, or one-third, of China's urban households face housing difficulties. Typical households today includes either several generations living under a roof, or two to three families sharing an apartment.

The average per capita living space for 550,000-odd households is less than two square meters, and over 50 million square meters of old and dilapidated housing is in need of renovation.

China has never in fact lessened its pace of housing construction. Since the early 1980s the government has invested over 280 billion yuan to construct over 1.4 billion square meters of residential housing for urban residents. And the average per capita living space for urban residents has increased from three square meters in 1979 to present 7.1 square meters.

In addition, the central government has pledged to increase the per capita living space to eight square meters by 2000.

Consequently, in order for the government to realize this goal, low rent and free housing must be eliminated.

Rents charged under the old system are extremely low and account for only one percent of a household's total income. Since rental fees do not even cover repair costs, the government must allocate over 5.5 billion yuan every year in subsidies for housing repairs.

Housing experts continue to call for reform, saying that the central government should waste no time in pressing ahead reform. They point to the increasing individual income in recent years, and the fact that Chinese citizens now have over 900 billion yuan in bank savings.

While most urban residents had deep reservations as to whether or not they would benefit from the reforms, most now accept it as inevitable.

The benefits of reform speak for themselves.

For example, in Tangshan, one of the pilot reform cities in north China's Hebei Province, the government will use the 120 million yuan in funds obtained by raising rental fees to build new housing which will fulfill over 55 percent of the city's annual demand for new housing.

In Shanghai, China's largest industrial city, the funds raised as a result of the reform plan will ensure that over 17,000 households are able to move into new houses each year.

Spurred on by estimated funds which will be available because of the reform, the Beijing government has announced its determination to better the conditions of its citizens who, at present, just have a living space of less than two square meters per capita.

Such examples indicate why increasing numbers of Chinese are now in favor of the housing reform program.

A recent survey of more than 1,000 households in east China's Jiangsu Province revealed that 93.5 percent of those surveyed actively support the reform program.

Some 92.5 percent of those surveyed acknowledged that over the next ten years increasing rents will not be beyond their means. However, some 55 percent said that even so they cannot afford to purchase houses.

Housing experts say that the reform is only the beginning of the commercialization of housing, and is thus an indicator that the country is expanding reform as a whole.

Mao's 'Imperial Tutor' Writing Book on Talks

HK2602034392 Shanghai BAKAN WENZHAI
in Chinese 14 Jan 92 p 3

[“Excerpts” of article by Ye Yonglie (0673 3057 3525) entitled “Lu Di [5684 5441], Mao Zedong's ‘Imperial Tutor’”—originally published in JIZHE XIE TIANXIA (6068 5074 1400 1131 0007) No. 1, 1992]

[Text] In ancient China, since the Tang dynasty, a position called the “imperial tutor” had been maintained to serve the imperial family. The title holder was a high-ranking official with the National Academy whose duty was to serve as the emperor's personal tutor in literature and history.

Learned in literature and history, Mao Zedong certainly did not need any “imperial tutor” to explain literature and history to him. But the story I am going to tell happened in 1975, when Mao Zedong was at an advanced age. Suffering from an eye disease, he could no longer read, so he asked the General Office of the CPC Central Committee to recruit an “imperial tutor” for him....

Thus, Lu Di, then a 44-year-old female teacher from the Department of Chinese Language and Literature of Beijing University was selected to become Mao Zedong's “imperial tutor.”

In late May 1975, an arrangement was made for Lu Di to move into a house very near to Mao Zedong's residence. In Mao's words, Lu Di was his “personal guest.”

Mao Zedong was very busy with official affairs at that time. Despite his illness, he handled all the major state and international affairs in person, listening to briefings and giving directives as well. He just could not spare much time for reading. Lu Di had to stay in her house at night waiting for a call from Mao. Sometimes the call came in as late as 2300 or even 0200. When Mao Zedong happened to be in the mood to read, he would tell his secretary to call Lu Di. Then Lu Di would get on her bicycle and rush to Mao Zedong's residence 500 meters away.

Lu Di was at first asked to lecture on ancient Chinese poetry, which was her specialty. Since he had been studying ancient Chinese poetry for many years, she could recite from memory whatever poems Mao Zedong mentioned and could readily discuss the topic with Mao.

Mao Zedong, however, later changed the topic of discussion to ancient Chinese prose. In this area Lu Di still could be counted as a match for Mao.

But Mao Zedong was a well-read man. Sometimes he picked out a passage from “The 24 Books of History” and asked Lu Di to read it for him. She was so unfamiliar with the history books that she sometimes did not know how to pronounce the names of the characters she came across. She used to pause on such occasions, and Mao Zedong would quickly become impatient: “Don't stop, go ahead, please!” So she had to tell Mao Zedong honestly what had happened, and she asked for a short break so that she could look up the name in a dictionary. However, to her surprise, Mao Zedong would always readily pronounce the name and laugh outright. At that moment Lu Di on the one hand realized how little learning she had, and, on the other, admired Mao Zedong from the bottom of her heart.

After having lived at Zhongnanhai for more than two months, she gradually grew accustomed to talking with Mao Zedong. Sometimes she burst into laughter because of a humorous remark by Mao. Occasionally she would raise a couple of questions for discussion with Mao Zedong.

It was at that time that an unexpected event took place and shocked the country.

At 0200, 14 August 1975, Lu Di received a phone call from Mao Zedong's secretary, telling her to go over to Mao Zedong's residence to read some book for him.

Mao Zedong had just finished his official work. He began to chat with Lu Di on classical literature. They first talked about Li Bai. After that they touched upon Liu Zongyuan. Then they talked of the novel *Dream of the Red Chamber*. Finally they turned to two other novels, *The Three Kingdoms* and *The Outlaws of the Marsh*. Mao Zedong appeared to enjoy the chat very much, and he simply spoke freely about what he was thinking about at the moment and aired his views on China's classical literature.

Hearing Mao Zedong talking about *The Outlaws of the Marsh*, Lu Di suddenly recalled something in the past.

The incident happened the previous year—1974. A person in charge of BEIJING RIBAO came to Beijing University to ask members of the Department of Chinese Language and Literature to write a commentary on *The Outlaws of the Marsh*. During his discussion with the department staff, the man set a keynote for the commentary: the gist of *The Outlaws of the Marsh* is "to do away with corrupt officials alone but not to rebel against the emperor." Lu Di had heard that this was a remark made by Mao Zedong.

So, Lu Di took the opportunity to ask Mao Zedong: "Chairman Mao, as far as I know, you said that *The Outlaws of the Marsh* was to do away with corrupt officials alone but not to rebel against the emperor. Did you ever say that?"

Mao Zedong nodded and answered: "Yes, I did make that remark during an enlarged meeting of the Political Bureau."

So Lu Di asked Mao Zedong to further elaborate in detail on how to interpret the novel *The Outlaws of the Marsh*.

Hence ensued a lengthy discussion by Mao.

Lu Di jotted down notes as Mao Zedong was talking glowingly.

What surprised her was that the notes she made of Mao Zedong's elaboration on *The Outlaws of the Marsh* were later used by Yao Wenyuan and his ilk to launch the "campaign against *The Outlaws of the Marsh*" that swept across the country for a time.

Then, on 26 September, for some reason not known to her, she was told by a comrade in charge of the General Office of the CPC Central Committee that she could return to the campus. She never saw Mao Zedong again.

After the breakup of the "Gang of Four," all kinds of rumors and slanders poured in against her. Some people even said she had worked for Jiang Qing. A special investigation team set up by the central authorities even started an investigation into her case. Fortunately, all the false charges finally were clarified. However, the public knows little about her case, since she has remained silent about her past job in Zhongnanhai.

More than 10 years have passed since then. Now she finally has an opportunity to break her silence. She said she does not have any high aspirations for her life. The only thing she hopes to accomplish in her late years is to write several books, for which she has been preparing a long time, and to have them published.

At present she is working very hard on her books *Mao Zedong and Traditional Culture* and *Mao Zedong Reading History and Ancient Literature*. The former is to reproduce the views of Mao Zedong, as an outstanding proletarian leader, on China's traditional culture; while the latter is a compilation of the records of the dialogues between Mao Zedong and herself that she has kept. Mao Zedong had the habit of putting down remarks on page margins when he read *The 24 Books of History*. Lu Di has quoted many of them in her books. Needless to say, the two books, as the true records of her experience as Mao Zedong's personal reading companion, will be of great historical value.

Films on CPC History Enjoying 'Popularity'

OW2602014092 Beijing XINHUA in English
0102 GMT 26 Feb 92

[Text] Chengdu, February 26 (XINHUA)—Chinese films concerning the history of the Communist Party of China are about to continue their popularity among the audience after a one-year domination in Chinese cinemas, movie experts say.

A recent symposium concerning the writing of film and television scripts shows that scenarios concerning historical events of the Communist Party and stories of former party leaders are particularly favored by film directors.

At present, several major Chinese film studios are vying to shoot such films.

Xiaoxiang Film Studio in central China's Hunan Province, the womb of modern Chinese revolution, will shoot two films this year: one is about how Mao Zedong created his worker and peasant forces through the autumn harvest uprising, and the other about how Liu Shaoqi conducted social investigation in his hometown in Hunan Province.

Beijing Film Studio is about to cooperate with Jiangxi Film Studio in Jiangxi Province to shoot "Mao Zedong

and the Jinggang Mountain" and Emei Film Studio in Sichuan Province will film "Chongqing Negotiations" after it finishes the shooting of "Our Leader Mao Zedong" soon.

In addition, the Zhujiang Film Studio in southern China's Guangdong Province will make a film touching the downfall of the "Gang of Four," which is to be entitled "Ye Jianying in 1976."

Ding Qiao, a leading Chinese film critic, said audiences were attracted to such films because these motion pictures have changed the general image of Chinese film.

Films like "Decisive Battles," "The Creation of the World," "Zhou Enlai" and "Mao Zedong and his Son" were widely acknowledged as the leading trend of Chinese film last year. They had caused a stir among the audience, who for a time overcrowded cinemas.

In Ding's opinion, such films became successful because they were conducted in a way seldom seen in recent film history in China. They either represent in full view the hardships the Communist Party faced at its birth time and the battles that would decide the future of China, or show the internal side of communist leaders, who had once been regarded as godlike.

In particular, many leading film critics say, these films treat some controversial historical figures, including Chen Duxiu and Lin Biao, in a perspective way.

About 70 percent of university students are interested in these films, as demonstrated by a recent sample survey conducted by the Movie Fans Society at the Chengdu University of Science and Technology.

Generally, according to the survey, they thought that the course the Communist Party had undergone from a small weak group to a big strong party is very inspiring and thought-provoking.

These films were also well-received by workers and farmers. Some had viewed the same film several times, which was unusual at the present recession period of the film industry. Analysts say this may be because such leaders as Mao Zedong and Zhou Enlai are still highly esteemed among ordinary people.

The general trend of Chinese film may also have been quite influenced by this craze. It is known that some scenario writers have scheduled to take up such historical event as the Long March from 1934 to 1935, the Zunyi Meeting in 1935, the Southern Anhui Incident in 1941 as well as the downfall of the "Gang of Four" as their writing theme.

And a two-to-five-year shooting plan is reportedly being mapped out soon to guarantee the quality of these films.

Ministry Cracks Down on Railway, Highway Bandits

HK2302045892 Beijing XINHUA Domestic Service
in Chinese 0957 GMT 22 Feb 92

[Text] Beijing 22 Feb (XINHUA)—According to a briefing of the Ministry of Public Security, public security organs of a dozen provinces or so, including Hebei, Heilongjiang, Zhejiang, and Fujian, as well as public security organs under the railway and highway systems have recently taken an active part in organizing crack-downs on "railway and highway bandits" with rather satisfactory social effects.

Between late September and the end of December last year, Hebei uncovered 527 cases of "railway and highway bandits," apprehended 777 criminals, and uncovered 71 criminal gangs, with some 180,000 yuan worth of spoils recovered. Between October and December 1991, Sichuan apprehended 553 "railway and highway bandits" and uncovered 46 criminal gangs.

Public security organs under the railway system uncovered 2,731 cases of "railway and highway bandits" and 913 criminal gangs, involving 3,352 gangsters in the fourth quarter in 1991; during 17-27 January this year, a 10-day overall crackdown on all lines was organized with the capture of 1,150 criminals, of which 68 were criminals at large, and 104 criminal gangs along with 792 criminal cases uncovered. Through concentrated efforts in the crackdown, criminal offenses in many places have somewhat died down.

Economic & Agricultural

Reselling of Textiles 'Beyond China's Control'

HK2502124992 Hong Kong CHING CHI TAO PAO
in Chinese No 6, 17 Feb 92 p 16

["China Economic News" article: "China To Punish Departments Which Export Textile Products Via Third Countries"]

[Text] In view of overseas criticism that Chinese enterprises, bypassing quotas, export textile products to cosignatories to a bilateral agreement via a third country or region, the Ministry of Foreign Economic Relations and Trade recently made this new stipulation: As of now, if any enterprise, in violation of regulations or bypassing quotas, exports textile products to a country with prescribed limits via a third country (or region), it will be deprived of the right to export. The Ministry also asks all relevant units in China to strengthen the control on textile quotas and make unequivocal stipulations on textile enterprises exporting commodities to countries with prescribed limits.

The relevant Ministry person said the other day that some enterprises in China do export textile products to cosignatories to bilateral agreements via a third party. But the cases are very few and the Chinese Government has attached great importance to it. In the same breath,

one should also see that reselling is a very complicated issue. In most cases, the right to goods is transferred once they are sold. The destination of the buyer's reselling is beyond China's control.

'Roundup' on Media Calls for 'Quickening' Reform

OW2602081592 Beijing XINHUA in English
0759 GMT 26 Feb 92

[Roundup: "Chinese Press Calls for Deepening Reforms"]

[Text] Beijing, February 26 (XINHUA)—All the major Chinese newspapers and magazines have carried commentaries and articles, calling for quickening the pace of the country's reform and opening to the outside world.

This indicated that the country is to make new and conspicuous steps in reform and opening to the outside world.

The authoritative "FORTNIGHTLY CHAT" carried quotations of major Chinese leaders on reforms and opening to the outside world, showing their common views on this matter and the importance they paid to the affair. All the country's major newspapers have reprinted the full text or part of the quotations.

Almost all the commentaries of the newspapers highlighted making bolder and quicker strides on reform and opening. The idea was in fact stated in Shanghai a year ago by Deng Xiaoping, the leading sponsor of the reforms in China.

The commentaries all pointed out that China's reforms have been successful and it is now the trend of the times and the desire of the people to further deepen the reforms.

The "PEOPLE'S DAILY" [RENMIN RIBAO], the organ of the Communist Party of China (CPC), published an editorial on Monday entitled "Carrying Reforms in a Bolder Manner". The leading Chinese newspaper also carried a front-page editorial last Saturday to call upon party and government officials to do economic work well and step up the country's reform and opening-up drive.

The editorial on Monday said that "through the reform and opening, our socialist system will be further improved. We have no way out except for reform and opening to the outside world."

The Shanghai based "WEN HUI BAO" said "the Chinese people have been benefiting from reforms and they have also seen hope and the future of a socialist system with Chinese characteristics."

Commentaries of the newspapers also analyzed the advantages to speed up reforms. The "BEIJING DAILY" [BEIJING RIBAO] said that "at present, the economic rectification and austerity drive has been basically accomplished. The national economy has

entered a stage of normal development. The country is enjoying economic progress, political and social stability as well as a stable public feeling. We have already obtained the precious experiences from the ten-year reform and opening practices, and grasped many regularities in the course of building up socialism with Chinese characteristics. The broad masses have begun to enjoy the benefits of reform and opening programs, and expressed their heart-felt support for reform."

According to newspapers, the changing of the managerial mechanism of enterprises was aimed at breaking up the "three-irons", namely the "iron chair" which provides a permanent post for managerial officials; the "iron salary" which represents a fixed income for employees; and the "iron bowl" which offers life-time jobs.

The effort is expected to link the income of both the managerial personnel and employees with their work and the economic efficiency of the enterprise on the whole, so as to raise their work initiatives.

Pushing the state owned large- and medium-sized enterprises onto the markets will also be the focus of reforms for this year.

The "ECONOMIC DAILY" [JINGJI RIBAO] also said in its commentary that while encouraging bolder actions against the "three irons", authorities and relevant departments should make careful investigations and hear more views on the principle of "establishing a new system before breaking the old". It stressed the importance of drafting necessary policies and perfecting social security systems to help solve difficulties of the workers. The training of the those waiting for jobs and the transfer of workers must also be better arranged.

The newspapers also encouraged people to be more creative and dare to practise. An editorial of the "PEOPLE'S DAILY" pointed out that in the process of opening and reform, reformers "should strive to succeed," but "allowance must be made for the possibility of failure." In case of failure, reformers ought not lose heart and others should not nit-pick. Rather, innovators should be "supported and protected," because the only way to success is through experimentation, the editorial said.

TA KUNG PAO Column

HK2602094692 Hong Kong TA KUNG PAO in Chinese
26 Feb 92 p 2

["Political Talk" column by Shih Chun-yu (2457 0689 3768): "Be Bolder and More Resolute, Pay More Attention to Actual Results"]

[Text] Opening Up Is Encouraged in Beijing for Three Consecutive Days

For three consecutive days the Beijing RENMIN RIBAO published editorials and signed articles once again encouraging localities to speed up reform and opening up and stressing the need for more courage in reform.

These editorials and articles pointed out: In this stormy international situation, the most important thing is to make a success of China's internal affairs. In implementing effective open measures, it is necessary "to be bolder and more resolute and to pay more attention to actual results." Apart from these "three more's," RENMIN RIBAO has also advised against "empty talk" and called for "more practical work and being earnest in implementing" measures. These remarks fully suggest the central authorities' determination to carry forward reform and opening up.

Reform and opening up firmly focus on the central task of improving the people's livelihood and the economy. Nothing can move this. This absolutely enjoys popular support because the Chinese can make comparisons and have had negative experiences. In the "ultraleft" period in the past, people engaged in empty talk about politics and civilians were urged to fear neither difficulties nor death, to support other countries, and "to liberate themselves only after liberating all of mankind." These slogans finally could not withstand the impetus of the developing situation, no matter how grand they looked. Only after empty talk reached a climax during the 10 years of the Cultural Revolution did people begin to understand that the country's economy was on the brink of collapse. China's national income ranked at the bottom of the world's average. Is it not distressing to hear?

It Is the Common Case That Localities Are Opening Up to the World

The Chinese people's standard of living has improved much in the 12 years of reform and opening up. The lives of most people in Guangdong, Fujian, eastern coastal areas, and even hinterland mountainous regions have improved, except those in a small number of counties and townships where natural conditions are bad. The settlement of the problem of adequate food and clothing for the 1.1 billion people is an unprecedentedly remarkable thing in China.

Today the information industry is unprecedentedly developed and traffic is convenient. A large number of businessmen and tourists from Hong Kong, Macao, Taiwan, Southeast Asia, West Europe, and North America enter and leave China every day. They can acquire a direct understanding and knowledge about the actual situations in different parts of China. Local governments and people in different strata are making every effort to expand and develop reform and opening up to ensure the implementation of the principle of "being bolder, being more resolute, and paying more attention to actual results."

For example, a South Korean enterprise group wishes to acquire 1.2 square km of land in Tianjin's economic development zone for its first industrial center in China, where it plans to set up 150 factories (there are already 20 factories, with an investment of \$20 million).

Why Do Foreign Businessmen Choose China?

Apart from its good geographical position and transport facilities, another appealing factor of Tianjin's economic development zone is that the annual rent per square meter of land is only about 20 yuan (\$3.70). Just imagine, where else in the world can such low rent be found for industrial use? In addition, wages are low here. In the world today, it is hard to find investment conditions like these.

In the last two or three years, Taiwanese businessmen stirred up a fever of investing in Thailand and other Southeast Asian countries. In the end, they met with many difficulties, and 70 percent of them suffered losses and their desire for investment was drastically reduced. Many of them have packed up and withdrawn. This was disclosed recently by Wang Hsian-ming, chairman of the board of the Taiwan General Chamber of Enterprises and Investments in Thailand.

Let me give another example. Why are Hong Kong, Macao, and Taiwan businessmen and foreign enterprises contending to invest in China? The answer is that there are profits to strive for. Otherwise, even a "big sedan on 16 people's shoulders" could not be so inviting as to carry them to China. China, with a population of 1.1 billion, is a huge commodity market where investments can be made for the production of world commodities at low costs. The most important thing is that as long as this good opportunity, rare in 1,000 years, is seized to carry out reform and opening up faster and bolder without "leftist" or rightist interference, by the end of this century China will certainly witness a change much bigger and newer than the present and the people's material and cultural life will also greatly improve.

Economist: Market Does Not Equal Privatization

*HK2502124892 Hong Kong CHING CHI TAO PAO
in Chinese No 6, 17 Feb 92 p 16*

["China Economic News" column article: "Economist Wu Jinglian (0702 2417 8834) Urges Vigorous Market Reform"]

[Text] Recently, economist Wu Jinglian has frequently been making speeches, advocating vigorous reform on the market's orientation.

Wu Jinglian held that, through the 10-year reform and opening up, China's economy has been tempered by ups and downs and the academic circles have further clarified the theoretical issues concerning reform. Planning and market are the means to distribute resources, not the criterion for distinguishing socialism from capitalism. Capitalism contains planning and socialism contains market. Without market operation, we would be abandoning ourselves to backwardness.

Wu Jinglian maintained that now the conditions for pushing forward the market reform are ready. He said: The reform on the market's orientation is, by definition,

three-fold. First, it means turning state enterprises into independent commodity producers that enjoy autonomy and assume sole responsibility for gains and losses. Second, it means establishing a market system with a competitive nature, including the commodity, fund, labor, and foreign exchange markets, and managerial personnel should also enter the market. Third, it means reforming the state's monopoly and establishing a macro regulation and control system mainly characterized by indirect regulation and control operated through the medium of the market, and mainly [as published] characterized by the state regulating and controlling the market and the market guiding the enterprises.

As to some people's association of market system with privatization, Wu Jinglian believes that they are actually not the same thing.

Shanghai To Initiate Futures Trading Program

HK2702130392 Hong Kong ZHONGGUO TONGXUN SHE in Chinese 0556 GMT 26 Feb 92

[Text] Shanghai, 26 Feb (ZHONGGUO TONGXUN SHE)—As revealed by relevant Chinese departments, the Chinese circulation sector of means of production intends to try its hand in futures trading, and Shanghai will be the first site for the pilot project. Yesterday, the State Council Ministry of Materials and Equipment wrote to relevant departments proposing that the pilot project be handled by the State Commission for Restructuring Economy. Moreover, there are still difficulties for China to develop futures markets; one is the fact that the rules and regulations are not yet completely perfect.

According to sources, in the preparatory work to establish a futures market, the Ministry of Materials and Equipment will first reform the order-placing system, select relevant goods items, designate permanent trade sites, introduce futures trade mechanisms, and create conditions for a trial run of the futures market. At the same time, the pilot project will make an initial attempt at single-species futures.

Relevant Chinese experts believe that in view of the successful experiences of many foreign futures trading houses and China's actual situation, a good external environment is needed before a Chinese futures market in means of production is established. At present, consideration should be focused on the following areas: First, formulate rules and regulations for futures and set up an administrative body for futures trading; second, set up a highly efficient, reliable, and convenient trading clearing system; third, the futures market must have full representativeness and wide coverage, and trading house members should be comprised of representatives from the production, circulation, and consumption enterprises; fourth, legitimate speculative trading is essential for strengthening the circulation of the futures market and a full play of its role of transferring risks; fifth, perfect the system of settlements in kind for futures commodities and the stocking system; and sixth, in the initial phase, the futures market will be confined to

domestic traders, and will only gradually be developed into an international market.

Guangdong Foreign Fund Use Scale 'Unprecedented'

HK2602150592 Beijing RENMIN RIBAO in Chinese 16 Feb 92 p 1

[XINHUA report by staff reporter Shi Meisi (0670 5019 3128): "Guangdong Province Uses Foreign Funds on Unprecedented Scale"]

[Text] Guangzhou, 15 Feb (XINHUA)—In the course of expanding the scale of opening up, Guangdong Province has further improved its investment environment and increased its capacity to attract foreign investment. The returns of foreign investment are now increasing with a strong momentum along with the growth in the scale of foreign investment, and economic development in the province is more obviously full of vigor and promise.

Last year, Guangdong used foreign funds on an unprecedented scale. The number of new contracts related to the use of foreign funds reached 8,508, an 18.22-percent increase over the previous year; the actual amount of foreign funds used by Guangdong reached \$2.582 billion, a 27.63-percent increase over the previous year. Thus, since the adoption of the policy for opening up, Guangdong has attracted over \$15 billion in foreign funds, and this has given a great impetus to the province's growing economic dynamism and prosperity.

A pronounced characteristic of foreign investment in Guangdong last year was that its structure improved and direct investment increased in all aspects. The amounts of foreign funds involved in the new contracts on joint ventures, cooperation projects, and enterprises solely owned by foreign investors increased 144.51 percent, 53.56 percent, and 63.96 percent respectively over the previous year. In various types of foreign loans, the amount of loans offered by foreign governments at lower interest rates increased 372 percent over the previous year, and the amount of loans actually used by Guangdong increased 166 percent. In addition, the foreign investment gradually shifted from labor-intensive industries to capital-and-technology-intensive industries. The use of foreign funds has become a major means of optimizing Guangdong's industrial structure. Guangzhou and other localities have also guided foreign investors to make joint investment or conduct cooperation projects with local old enterprises in a planned and orderly way, thus quickening the pace of transformation in the old enterprises.

Another pronounced characteristic of foreign investment in Guangdong was that the investments made by large international consortiums and major transnational corporations were on the increase, and their investment projects were larger in scale and longer in the period of investment. The investors not only came from Hong Kong, Macao, and Taiwan, but also from South Korea, Japan, Singapore, Malaysia, the United States, Canada, Australia, Denmark, Germany, France, Italy, and more

than 20 other countries and regions. Some large international consortiums and major transnational corporations also showed strong interest in investing in Guangdong. The average amount of foreign funds involved in each of the 4,554 investment projects related to the establishment of the three types of foreign-funded enterprises was \$1.07 million as opposed to \$0.88 million in the previous year. According to statistics collected from 3,153 foreign-funded projects, those with a period of less than 10 years numbered only 70; the period of most projects lasts 30-50 years, and the number of those with a period of more than 50 years also increased markedly.

Up to the present, approval has been given for the establishment of 18,000 foreign-funded enterprises in Guangdong, and more than half of them have begun operation. Most of the foreign-funded enterprises that have begun operation have reaped profits and have been increasing their returns. Most of their products are exported. They are engaged in the electronics, textiles, garment manufacturing, food-processing, machine-building, building materials, pharmaceutical, plastics, feed, aquiculture, fruits, vegetables, flowers, and poultry farming industries, which are mostly export-oriented and are foreign exchange earners. Last year, the foreign-funded enterprises and the 24,000 enterprises engaged in processing imported materials for the purpose of re-export totally earned \$6.166 billion of foreign exchange, marking an increase of 40.62 percent over the previous year. The proportion in the province's total volume of exports increased from 40.1 percent in 1990 to 45.51 percent in 1991.

Guangdong To Pioneer Industrial Accident Insurance
OW2502011792 Beijing XINHUA in English
0050 GMT 25 Feb 92

[Text] Guangzhou, February 25 (XINHUA)—Southern China's Guangdong Province is to put into effect an industrial accident insurance scheme next month.

It is the first province to declare an regulation of this kind in the whole of China.

The coverage is compulsory for all enterprises, including about 40,000 ones with some foreign investment, in the province and their employees.

Compensation will come from a special insurance fund to which enterprises will contribute on a regular basis.

Whether employees of wholly foreign-funded and Hong Kong, Macao and Taiwan-funded enterprises will join the scheme will be decided by their boards or directors and written into their contracts.

According to officials of the Guangdong Labor Department, the relevant regulations were mapped out in 1989 and then tried out in several cities in the province.

One source quoted Ruan Chongwu, minister of labor, as saying that the system will eventually be spread throughout China.

Daily Views Fujian City's Export-Oriented Economy
OW2602031792 Beijing XINHUA in English
0257 GMT 26 Feb 92

[Text] Beijing, February 26 (XINHUA)—Quanzhou City in east China's Fujian Province paid more attention to the development of an export-oriented economy last year, according to the OVERSEAS EDITION of today's "PEOPLE'S DAILY" [RENMIN RIBAO].

According to statistics, the city approved 410 overseas-funded enterprises with a total investment of 1.88 billion yuan, including 320 million yuan from overseas investors—respectively 25.8, 67.3 and 55.7 percent increases over 1990.

So far, 247 of them have gone into operation, a 46.5 percent increase over 1990.

Statistics show that the city had approved a total of 1,418 overseas-funded enterprises by the end of last year involving a total investment of 4.5 billion yuan. Now the total output value of 880 overseas-funded enterprises has reached 2.54 billion yuan and their export value, 280 million U.S. dollars—55.4 percent and 36.7 percent increases, respectively, over 1990.

The city has opened 10 land development zones covering a total area of 80,000 ha, which have received 60 projects already with overseas investment of 200 million U.S. dollars.

Conference Held on Controlling Purchases
HK2602145692 Beijing RENMIN RIBAO in Chinese
16 Feb 92 p 1

[XINHUA report by reporter Ding Jianmin (0002 1017 6900): "National Conference on Controlling Purchases Held in Nanjing"]

[Text] Nanjing 15 Feb (XINHUA)—The national conference on controlling purchases convened here today has proposed that work in controlling purchases nationwide should continue to implement the spirit of austerity and to strictly and firmly control the tendency of overheated consumption and unreasonable demand of social groups. However, the needs of normal consumption of various undertakings must be given active support.

According to this principle, the national leading group for controlling purchasing power of social groups decided that, regarding administrative units and institutions, the purchase of new equipment is generally prohibited aside from newly established units with sanctions and purchase of used equipment. As to commodities in certain categories under control to be directly used in production, operation, scientific research, education, medical, and health work, the national leading group for controlling purchases office will give them active support and approve their purchases as long as the procedures are complete, with proper source of funds.

It was learned that the conditions of implementing the 1991 indexes of spending, which the state assigned to units at and above county levels, in controlling purchasing power of social groups were rather normal; it is estimated that the annual spending will not exceed the indexes stipulated in the original plan. However, currently, the consumption demand of social groups remains rather high, with the universal phenomena of extravagance and waste, paying attention to ostentation and extravagance in doing business, and wasting public funds. In some places, the unhealthy tendencies of throwing banquets and presenting gifts, indulging in food and drinking, and touring scenic spots at the expense of the state have continued, and even become increasingly serious despite repeated orders of prohibition. Celebrations for the circulation of the initial issue of some journals, premieres, anniversaries of the founding of a school or factory, and various activities in sponsoring "festivals" and "meetings" have been increasingly frequent, resulting in great waste. Despite poor economic returns with grave deficits, some enterprises have compared with other enterprises in pursuing a high standard in nonproductive consumption of social groups. A small number of places have considerable financial difficulties, but they managed to buy limousines. Some places have even resorted to making loans, apportioning, or embezzling public funds to purchase limousines. Should such a momentum fail to be strictly halted, great amounts of state money would be wasted, and lead to very bad effects among the people.

Aiming at the aforesaid conditions, Vice Minister of Finance Zhang Youcai proposed that the growth range of spending by groups at and above county levels nationwide be controlled at around 5 percent; all places and units must strictly implement the mandatory indexes with no exception.

Bureau Reports on Construction of Key Projects

*OW2502100592 Beijing XINHUA in English
0831 GMT 25 Feb 92*

[Text] Beijing, February 25 (XINHUA)—During the first year of the Eighth Five-Year Plan period (1991-1995), China finished the construction of 100 key projects in addition to several hundred smaller projects, according to the State Statistical Bureau.

The bureau reported that these new projects include the first Chinese-built nuclear power station—the Qinshan Station in Zhejiang Province, the Nanpu Bridge in Shanghai city, and the Datong Sitaigou Coal Mine in Shanxi Province, which will produce five million tons of coal annually.

Thanks to the completion of these new projects, the country has increased its power generating capacity by 11.84 million kw [kilowatts], its steel production capacity by 3.96 million tons, its iron production capacity by 3.76 million tons and chemical fertilizer production capacity by 960,000 tons.

Zou Jiahua Urges More Efficient Port Management

*OW2502224692 Beijing XINHUA Domestic Service
in Chinese 1318 GMT 25 Feb 92*

[By reporter Wang Yanrong (3769 1693 2837)]

[Text] Beijing, 25 Feb (XINHUA)—During an informal meeting [date not given] with representatives attending the national conference on port management, Vice Premier Zou Jiahua stressed the need to improve port management in every way so as to create a good image of China's foreign trade and open the country wider to the outside world.

Zou Jiahua said: China's open policy and economic development have had good momentum in the last two years. The success of the nation's total import-export volume exceeding \$130 billion last year should be partly attributed to port workers' hard work. On behalf of the State Council, he thanked port workers and gave them his best regards.

According to the ongoing conference, which is sponsored by the State Council, following the expansion and deep-going development of China's policy of opening up, the nation will also speed up opening its ports to the outside world this year. Zou Jiahua stressed the importance of port management, saying that it has a direct bearing on the implementation of the state's open policy. He said: Port management includes inspection operations as well as economic and trade operations and transport services. Although the responsibilities are different, the objectives are the same. Thus, all departments should operate in greater coordination with each other and support the work of departments in charge of port affairs. All local governments should provide stronger leadership over port management and improve the coordination capability of port affairs committees and offices so that they can play their part in promoting the state's trade and economic development.

Zou Jiahua emphasized that inspection departments in all ports must maintain good relations with operation departments, saying that whenever a problem occurs, they should work in coordination with port affairs committees and offices and support the operation departments. In response to inspection departments' complaints about inadequate working and living conditions, Zou Jiahua maintained that a high degree of responsibility is most important, but constant efforts must be made to improve material conditions. He said: While our inspection organs must be properly equipped, they should not lower their sense of responsibility. By no means should they stop performing their duties simply because material conditions are unsatisfactory. They should give top priority to the interests of the state, intensify ideological and political work, and take the initiative in studying how to do their jobs properly.

Zou Jiahua also called on inspection departments at various ports to study their problems with regard to overlapping responsibilities and redundant levies. He

said that responsibilities should be divided rationally and inspection procedures should be simplified so that efficiency can be improved and problems involving irrational and redundant levies can be corrected.

Li Peng 'Important Instructions' on Henan Drought

HK2602145592 Zhengzhou Henan People's Radio Network in Mandarin 2300 GMT 22 Feb 92

[Text] Recently, Comrade Li Peng, the State Council premier, gave important instructions on our province's drought-fighting work. Our province has been hit by a serious drought rarely seen in the last 50 years and this has touched the hearts of leading comrades at the Central Committee and State Council. Shortly after Premier Li Peng returned from his four-state trip to West Europe, he read a document on droughts in our province, and on the morning of 15 February, he gave important instructions. He had his personal secretary telephone Secretary Hou Zongbin and Governor Li Changchun. Premier Li Peng said: The lack of a drinking water supply is a very serious problem. After I read about it, I felt concerned about your people. You can tell the central authorities your difficulties and ask them for any help you need; you must mobilize the masses to reinvigorate the spirit, overcome disasters, and sail through the difficulties.

On the afternoon of 22 February, Comrade Li Peng delegated Comrade Chen Junsheng, a state councillor, to listen to Governor Li Changchun's report on Henan's droughts and launching of the antidrought struggle, and coordinated relevant State Council departments' efforts in support of our province's antidrought work.

On the evening of 21 February, Premier Li Peng personally listened to Governor Li Changchun's reports on the drought situation, and again gave some important instructions. Premier Li Peng said: The drought in the western part of the province has historical causes. We must grasp well present and temporary measures so that there will be no problems at all in the drinking water supply; at the same time, we must remember long-term considerations and, in a pragmatic manner, adjust the crop mix. In this regard, it is extremely necessary to plant some fruit trees, and we must develop some new varieties, for old varieties may have market problems. The western part of the province may expand terracing,

which can preserve frost and thus help the growth of crops. We must mobilize the masses through work-relief programs to bore wells and dig irrigation ditches. Premier Li Peng also said: We must do everything we can to irrigate and manage well the 45 million-mu irrigated land, and reduce the damage to summer crops to a minimum.

When Premier Li Peng heard that there were still 8 million mu of land on which crops had not yet sprouted seedlings, he said: We must do everything we can to grow cotton and tobacco leaves well, so that, though peasants may suffer reduced output in summer crops, they will still have an income with which to buy grain. The state still has stored grain.

Premier Li Peng repeatedly advised: We must mobilize the masses, invigorate the spirit, and struggle ardently to sail through the difficult time.

Winter Wheat in 'Bad Condition' Due to Drought

OW2702041892 Beijing XINHUA in English 0259 GMT 27 Feb 92

[Text] Beijing, February 27 (XINHUA)—Concerned departments in north China, which has been suffering from drought since last autumn, called for every effort this spring to help farmers reap a bumper winter wheat crop.

The winter wheat crops in north China are in bad condition, including those in Shandong Province, a leading wheat producer which ranked first in wheat output in the country last year.

Concerned departments in the Dezhou region, a major wheat production base in Shandong, are trying to help local farmers strengthen field management of a total of 300,000 ha of winter wheat.

So far they have invested 50 million yuan (about 9.8 million U.S. dollars), supplied 200,000 tons of fertilizer, 7,000 tons of diesel oil and some farming machinery, and dispatched nearly 10,000 cadres and technicians to help in the task.

However, meteorological forecasts foresee no major precipitation in north China in the near future.

Central-South Region

Shenzhen Residents Asked To Appraise Government

OW2702034392 Beijing XINHUA in English
0126 GMT 27 Feb 92

[Text] Shenzhen, February 27 (XINHUA)—More than 100 representatives of residents of Shenzhen in southern China's Guangdong Province began to appraise the style of work of the city government, court and procuratorate today.

According to Li Youwei, chairman of the Standing Committee of the Shenzhen city people's congress, this is the first time in China that people have been organized to examine the work style of government and judicial departments.

This indicates that Shenzhen has taken a new step in bringing into play the role of local people in participating in political affairs and supervise the functions of the government.

Shenzhen is one of China's five special economic zones. The rest are Hainan Province, Shantou and Zhuhai in Guangdong Province and Xiamen in Fujian Province.

The chairman noted that the representatives will mainly appraise whether the government, court and procuratorate are honest in performing their official duties, as well as their work efficiency and service.

Every representative is expected to air his or her opinions, which will be collected by the office of the municipal people's congress and compiled into reports for the Standing Committee of the people's congress.

Li explained that this move will be of great importance in keeping the government clean and honest, and help boost development in the special economic zone.

Qian Yunlu Views Fine Party Style Building

HK2702105192 Wuhan Hubei People's Radio
Network in Mandarin 1000 GMT 22 Feb 92

[Excerpts] A provincial conference on commending advanced collectives and individuals who have excelled in building a fine party style was solemnly convened on the morning of 21 February.

The conference emphatically called for strengthening party style building work and rendering better services to in-depth reform, expanded opening up, and economic development.

The conference was presided over by Qian Yunlu, provincial party committee deputy secretary.

Ding Fengying, provincial party committee standing committee member and provincial discipline inspection commission secretary, read out a decision made by the Hubei Provincial CPC Committee on commending

advanced collectives and individuals excelling in building a fine party style. [passage omitted]

Provincial party committee Secretary Guan Guangfu delivered a speech entitled: "Clearly View Situations, Clearly Define Tasks, and Deepen Party Style Building." The speech dwelt on the following four aspects: Conscientiously summing up experiences and objectively analyzing the current provincial party style building situation; clearly viewing situations and sticking to the correct orientation; strengthening party style building and party discipline building by centering on the party's basic line with a view to rendering better services to in-depth reform; and expanding opening up and economic development to consolidate party style building achievements and create a strong macroscopic atmosphere for building a fine style in the whole party. To this end, party committees must persistently and simultaneously grasp two work aspects, attach great importance to, and support discipline inspection work.

In analyzing the current provincial party style building situation, Guan Guangfu pointed out: Since the Fourth Plenary Session of the 13th CPC Central Committee, our province has scored one success after another in building a fine party style in various fields. The prevailing party style is healthy and the current development trend of party style building work is also gratifying. However, we should by no means overestimate our successes in this connection. The results of a recent examination of provincial party style building work show that the development of party style building work remains unbalanced from one area to another. A multitude of problems can still be found in party style building work, clean government building work, and efficient government building work, some of which are very serious ones. These problems have hampered party style building, damaged the party's image among the broad masses of people, impeded the party's cause, and adversely affected the fulfillment of various tasks.

When talking about the second issue, Guan Guangfu maintained: We must correctly analyze both the international and domestic situations, more clearly define orientation, strengthen confidence, enhance morale, carry out work in accordance with the requirements laid down by the Central Committee, arm our minds, unify our understanding, and guide our work with the theory of building socialism with salient Chinese characteristics and the party's basic line, which is a powerful ideological weapon. The party discipline inspection work must also closely adhere to this orientation, follow and serve the party's basic line, and step up party style building and party discipline building by closely centering on the party's basic line. As an important component of the entire party's work, party style building and discipline inspection work must unswervingly adhere to economic construction as the center and must proceed from and aim at pushing ahead with economic construction and ensuring healthy economic development. We must continually build a fine party style and enforce strict party

disciplines so the whole party will whole-heartedly concentrate on economic construction and economic construction will victoriously proceed along a socialist road with salient Chinese characteristics.

Guan Guangfu asserted: We must actively make efforts and take the initiative to support, protect, and create a favorable environment for reform and opening up and make sure that our reform and opening up will develop in a socialist orientation, this being an important task of both party style building work and party discipline inspection work. In carrying out work, we must seek truth from facts, correctly implement policies, draw a clear demarcation line between right and wrong and between discipline violations and mistakes, as well as between discipline and flexibility. We must make unrestrained efforts to step up party style building, party discipline building, clean government building, and efficient government building, carry out the anticorruption struggle in an in-depth way for a long time to come, straighten out professional malpractice, resolutely oppose bureaucratism and formalism, and earnestly protect cadres who are enthusiastic in pushing ahead with reform, opening up, and socialist construction. We must protect all those cadres who dare to work, learn, and correct mistakes in the course of reform and opening up, support and protect reformers, encourage and assist explorers, help and educate those who make mistakes, and strictly investigate and deal with discipline violators. In building a fine style among party-member cadres, we must simultaneously step up clean government building and efficient government building with an eye to making the broad masses of cadres perform their official duties honestly and efficiently, remain uncorrupted, work with a fine style and in a pragmatic manner, and serve the people heart and soul.

When speaking of the third issue, Guan Guangfu stated: This year, party style building work and party discipline building work must aim at punishing those who try to obstruct the implementation of the party's basic line and at resolving glaring problems that cause strong resentment among the broad masses of people or damage relations between the party and the masses. To this end, we must focus our work on the following four aspects:

1. Resolutely oppose and straighten out formalism and bureaucratism and forcefully advocate seeking truth and working in a pragmatic manner with an eye on ensuring the smooth implementation of various policies and measures. [passage omitted]
2. Continually straighten out professional malpractice, enhance a sense of service, and improve service work. [passage omitted]
3. Tackle in a practical manner the problem of party-member cadres seeking private gains or personal privileges by abusing powers. [passage omitted]
4. Vigorously step up party style building in the ideological domain and strictly enforce the party's political disciplines and propaganda disciplines. [passage omitted]

Guan Guangfu concluded: Party organizations at all levels must place party style building high on their agendas while, at the same time, successfully pushing forward economic construction. They must keep a firm grip on party style building, make overall arrangements, and strengthen the implementation of actual work. To this end, it is imperative to correctly view relations between party style building and economic construction, further enhance consciousness in simultaneously grasping the two work aspects, further establish and perfect a responsibility system aimed at building a fine party style, and assign party style building tasks to party organizations at all levels and to each and every party-member cadre while emphasizing the exemplary role of leading cadres and stepping up party building work in organs directly under the provincial authorities. Party committees at all levels must strengthen leadership over discipline inspection work, show practical concern and support for discipline inspection work, give full scope to the functional role of discipline inspection commissions in building a fine party style, and show concern for discipline inspection institutions and contingents building. Cadres engaged in discipline inspection work must further step up contingent building and constantly improve their own quality and standard on an overall scale.

Leading comrades attending the commendation conference, such as, Guan Guangfu, Qian Yunlu, Ding Fengying, Tian Qiyu, Zheng Yunfei, Zhong Shuqiao, Wang Shen, Wang Zhongnong, Chen Ming, Dong Yusen, Wang Ruisheng, Wang Chongwen, Gao Guobin, and others, conferred medals and certificates of honor on all of the advanced collectives and individuals commended at the conference.

Various prefectural, city, and autonomous prefectural party committee secretaries, provincial office, commission, department, and bureau party committee secretaries, various provincial corporation party committee secretaries, various provincial people's organization leading party group secretaries, as well as those comrades who had just attended a provincial conference on prefectural party committee work attended the commendation conference.

Southwest Region

Guizhou Secretary Addresses CPPCC Session

HK2602071992 Guiyang Guizhou People's Radio Network in Mandarin 2300 GMT 23 Feb 92

[Excerpts] The Fifth Session of the Sixth Guizhou Provincial Chinese People's Political Consultative Conference [CPPCC] Committee was solemnly inaugurated in Guiyang on the morning of 23 February.

Provincial CPPCC Committee Chairman Miao Chunting and Vice Chairmen Song Shugong, Wang Fuqing, Tang Hongren, Mao Tieqiao, Jian Xianai, Wang Qingyan, Meng Sufen, Zhang Chaolun, and Wang

Siming attended the opening ceremony and were seated in the front row at the rostrum.

Provincial party, government, and military leading comrades, who attended and extended congratulations at the opening ceremony, included: Provincial party committee Secretary Liu Zhengwei, provincial Governor Wang Chaowen, provincial advisory committee Chairman Su Gang, provincial discipline inspection commission Secretary Liu Hanzhen, provincial people's congress Standing Committee Chairman Zhang Yuhuan, provincial Vice Governor Zhang Shukui, provincial party committee Standing Committee Members Hu Kehui, Wang Siqi, and Yuan Ronggui, and Deng Guoyan, provincial military district deputy political commissar.

Zhu Yuru and Chu Zhenmin, former fifth provincial CPPCC committee vice chairmen, were also seated at the rostrum.

At 0930, Wang Fuqing, executive chairman of the fifth session of the sixth provincial CPPCC committee, declared the session open. [passage omitted]

Provincial CPPCC committee Chairman Miao Chunting delivered an opening speech in which he said: This session is mainly devoted to implementing the party's basic line of one center, two basic points in a comprehensive and in-depth manner, conscientiously studying all the important speeches made by Comrade Jiang Zemin during his inspection of Guizhou, relaying and implementing the spirit of the enlarged Sixth Plenary Session of the Sixth Guizhou Provincial CPC Committee, drawing upon collective wisdom, absorbing all useful ideas, and soliciting proposals for rejuvenating and developing the Guizhou economy. Let us hold higher the banner of patriotism and the banner of socialism, further persist in and perfect the CPC-led multiparty cooperation and political consultation system, consolidate and develop a broadest united front, fruitfully perform our basic duties, make persistent efforts to win more victories in implementing the Eighth Five-Year Plan and the 10-Year Program, give greater scope to the role of the CPPCC organizations, unite all forces that can be united, mobilize all positive factors that can be mobilized, bring into full play the creativity of the people of all nationalities, and make greater contributions to promoting provicewide stability and unity, a sustained, steady, and coordinated provincial national economy development, implementing and carrying out the principle of one country, two systems, and speeding up peaceful reunification of the motherland. [passage omitted]

Provincial CPPCC Committee Vice Chairman Meng Sufen delivered at the session a work report on behalf of the sixth provincial CPPCC committee Standing Committee.

Provincial CPPCC Committee Vice Chairman Zhang Chaolun delivered a work report on handling motions advanced since the fourth session of the sixth provincial CPPCC committee.

Provincial party committee Secretary Liu Zhengwei delivered a speech at the session. Liu said: All members and comrades, at a time when the people of all nationalities are implementing in an in-depth manner the spirit of the Central Work Meeting, the spirit of the Eighth Plenary Session of the 13th CPC Central Committee, the spirit of the Central Nationalities Affairs Work Meeting, and the spirit of the important speeches made by General Secretary Jiang Zemin during his inspection of Guizhou, the Fifth Session of the Sixth Guizhou Provincial CPPCC Committee has been solemnly inaugurated today. On behalf of the Guizhou Provincial CPC Committee, I extend warm congratulations to the convocation of the session, cordial greetings to all the members attending the session, and heart-felt thanks to all the comrades working for the CPPCC organizations at all levels across the province.

Shen Yuan, Guizhou-based CPPCC National Committee member, as well as provincial CPPCC committee deputy secretaries general, persons in charge of the provincial CPPCC committee work committee with special responsibilities for the CPPCC work in various areas, persons in charge of various organizations affiliated to the provincial CPPCC committee and to the provincial party committee united front work department, and others also attended the opening ceremony as guests.

Visits People's Congress Deputies

HK2602122992 Guiyang Guizhou People's Radio Network in Mandarin 2300 GMT 24 Feb 92

[Text] Provincial party and government leaders Liu Zhengwei [provincial party secretary], Wang Chaowen, and others went, along different routes, to visit deputies to the fifth session of the seventh provincial people's congress at their lodgings this morning.

They hoped that people's deputies from various localities, fronts, and fields would seriously and earnestly exercise the rights entrusted by the constitution; fully give expression to the people's opinions and demands; enthusiastically suggest ways and means to improve Gansu's economic development and social progress; and advance constructive ideas, criticism, and suggestions. They also hoped the deputies would do a good job in modifying the government work report so that the resolutions adopted by the plenary session will fully comply with the party's stand and the people's rights and opinions. They called on the deputies to make the session one in which the participants would unify their thinking and brace their spirits and also one which would give play to democracy, one at which participants enthusiastically suggest ways and means, and one which would strengthen unity and urge everyone to go all out.

Sichuan Governor Addresses Finance Conference

*HK2602091492 Chengdu Sichuan People's Radio
Network in Mandarin 1015 GMT 23 Feb 92*

[Text] The Sichuan Provincial Financial and Trade Work Conference was convened in Jinyan Hotel yesterday morning.

Provincial Governor Zhang Haoruo, Vice Governor Xie Shijie, and leaders in charge of financial and trade work from various prefectures, cities, autonomous prefectures, and counties across the province attended the conference yesterday.

Speaking of problems plaguing the financial and trade work at present, provincial Governor Zhang Haoruo said: Blocked circulation channels, overstocked finished products, poor agricultural output, and growing provincial trade deficit have become outstanding problems hampering provincial financial and trade work.

Provincial Governor Zhang pointed out: Governments and departments concerned at all levels must proceed from the law of value and the law of market and clearly define relevant responsibilities under the guidance of the state plan.

Regarding current financial and trade work tasks, provincial Governor Zhang expressed the following three views: First and foremost, it is necessary to heighten understanding of the importance of financial and trade work; second, it is necessary to fully understand the important role played by market and circulation in the national economy, adhere to a principle of simultaneously promoting market development and invigorating circulation, and lay equal stress on production and circulation; third, it is necessary to implement a principle of integrating market regulation with plan regulation, closely follow market trends, and give full play to the regulative role of market in future economic work.

Gyaincain Norbu on Tibet's Economic Construction

*OW2602022592 Beijing XINHUA in English
0126 GMT 26 Feb 92*

[Text] Lhasa, February 26 (XINHUA)—Chairman of the Tibet Autonomous Region, Gyaincain Norbu, recently said that to develop the economy is the central task of the region in 1992.

He said that 1.1 billion yuan will be invested in fixed assets and 45 projects have been reported to the central government, including agriculture, animal husbandry, energy, transportation and industry.

He said that the state will invest one billion yuan in improving the transportation in Tibet and another 377 million yuan in tackling the problem of frozen earth in road building.

As to the energy construction, he said that the Tibetan government will tap terrestrial heat and wind and solar energy while continuing its emphasis on hydropower.

At present Tibet has 19 counties, about one-fourth of the region's total, out of the reach of electricity. Now several power stations are under construction. Gyaincain Norbu said that the government will speed up their construction.

Tibet is rich in mineral resources, especially chrome and borax.

The chairman said that, besides exploring the mineral resources, the Tibetan government will invest one billion yuan in the development of the three major rivers flowing through the region, namely, Yarlung Zangbo River, Lhasa River and Nyang Qu River.

The chairman expressed confidence in the success of the projects.

He said that a stable political environment is the foundation of the economic construction.

Last year Tibet saw the fourth consecutive bumper harvest. The grain output increased 4.5 percent over the previous year and the total agricultural output value increased by 4.3 percent.

Gyaincain Norbu stressed the importance of a stable situation and he said that to stabilize the situation and to develop the economy will be two major events of the region in the following period.

On Religion

*OW2602022692 Beijing XINHUA in English
0134 GMT 26 Feb 92*

[Text] Lhasa, February 26 (XINHUA)—Some 1,420 monasteries and temples have been repaired and opened to religious believers in the Tibet Autonomous Region.

In addition, traditional religious festivals have also been reinstated in Tibet, according to Gyaincain Norbu, chairman of the Tibet Autonomous Region.

Gyaincain Norbu attributed this achievement to the persistent implementation of China's policy of freedom of belief.

There are a large number of Buddhists in Tibet. Now the region has more than 34,000 Buddhist monks and nuns.

According to Gyaincain Norbu, the autonomous region encourages the monasteries and temples to boost production and develop social services. "In this way the lamas can gradually learn to support themselves," he said.

According to Gyaincain Norbu, the party organizations and governments at all levels of the autonomous region will further the freedom of belief policy and support legitimate religious activities in the region.

Tibetan Economy Sees 'Rapid Growth' in 1991*HK2502141992 Beijing ZHONGGUO XINWEN
in English 1348 GMT 25 Feb 92*

[Text] Lhasa, February 25 (CNS)—Last year saw rapid growth of Tibet's economy with 39,255 individual industrial and commercial households registered in the region.

According to statistics, workers in individually-owned enterprises in Tibet numbered more than 54,000 with capital of over RMB [Renminbi] 162 million and turnover of over RMB 248 million, a 16.3 percent and 10.1 percent increase respectively compared with the previous year.

Individually-owned industrial and commercial households in the farming and cattle-raising sectors showed the fastest development in the privately-owned economy in Tibet last year. Households engaging in individually-owned enterprises increased by 5,421 over the previous year, 50.1 percent up, employing 28,598 local people and 10,567 people from other provinces.

Yunnan Pursues Increased Cross-Border Trade*HK2602015292 Beijing CHINA DAILY in English
26 Feb 92 p 2*

[By staff reporter Li Xing: "Yunnan Pursues More Border Trade"]

[Text] Kunming—A Yunnan provincial government delegation, led by Governor He Zhiqiang, is currently holding talks with Vietnamese officials about furthering trade and technical cooperation between Yunnan and some Vietnamese provinces bordering China.

His visit marks another major step in Yunnan's attempt to boost its already-burgeoning border trade—which hit 14 million yuan (\$2.6 million) in 1989.

Yunnan Province, located in Southwest China, has a 4,060-kilometre border with Myanmar [Burma], Laos and Vietnam, with 111 roads and several waterways directly linking Yunnan and frontier provinces in those three countries.

The recent rapid development of border trade owes much to the country's policy of reform and opening to the outside world.

Today, nearly 500 state and collectively owned companies are engaged solely in the border trade in 27 border counties in the province's eight prefectures. About 41 companies in Yunnan each had total exports and imports above 5 million yuan (\$925,000) last year.

Tens of thousands of residents living in the border regions regularly go to local fairs and markets to exchange their own produce and products for other necessities.

Meanwhile, the export and import companies owned by the Yunnan Provincial Government have also broadened trade relations with their counterparts in the border provinces of Myanmar, Laos and Vietnam.

Through the border trade, Yunnan and other regions are bringing in high-quality agricultural produce, wood, minerals and even fishery products, including prawns and crabs, most of which are sent to banquet tables in Beijing, Shanghai and Tianjin, local officials said.

At the same time, China exports daily necessities, textile products, medicine, vehicles, machinery, as well as such construction materials as cement and glass, which are in high demand in those countries.

The booming border trade has benefited the minority-populated border areas.

In the Dehong Dai and Jingpo Autonomous Prefecture, half of the government's revenue in the past few years came from taxes collected from border trade. Part of the revenue has been invested in the prefecture's agricultural sector to increase local grain and sugar cane production.

And the governments of Wanding City and Ruili County, both in border areas, have supported local capital construction and the development of education and culture with taxes from border trade, which now accounts for 80 percent of the local government's revenue.

Trade With Vietnam Developing*HK2602072092 Kunming Yunnan People's Radio
Network in Mandarin 1000 GMT 24 Feb 92*

[Text] Honghe Hani-Yi Autonomous Prefecture gives full play to its geographical advantage to develop border trade resulting in a sharp increase in its total volume of foreign trade.

Honghe Prefecture is located on the southwestern fringe of China and its three counties Hekou, Jinping, and Luchun border on Vietnam. Hekou County seat and (Jinshuihe) in Jinping County are outlets at national level.

Since China and Vietnam normalized their diplomatic ties, provincial and Honghe prefectural governments have taken effective measures to develop border trade. In August last year, the provincial government called an on-the-spot meeting on border trade in Kaiyuan County to discuss problems concerning border trade and the construction of outlets. In late December, the prefecture held a three-day sales exhibition in Hekou with the volumes of spot goods and futures totaling five and 10 million yuan respectively.

Northeast Region

Heilongjiang Reforms Labor System in Enterprises

SK2702020992 Harbin Heilongjiang People's
Radio Network in Mandarin 2200 GMT 24 Feb 92

[Text] Heilongjiang Province decided to conduct comprehensive trial reform of the labor systems in 45 state-owned large and medium-sized enterprises.

As introduced by (Zhang Fu), director of the provincial Labor Bureau, these enterprises will comprehensively carry out the labor contract system with all staff involved. By carrying out the system, the enterprises will eliminate the disparity in the status of cadres with that of staff members and workers; and the cadres and staff members and workers will be called, in a unified manner, as enterprise staff and workers and will sign labor contracts with enterprises. Enterprises will have the right to dismiss staff and workers in violation of labor contracts from their posts. The staff and workers are allowed to appeal to higher authorities or to resign if enterprises do not handle affairs in accordance with labor contracts. Enterprises should comprehensively carry out the optimum labor system, the system of employing staff and workers through competition, and the system that the surplus personnel should mainly be digested by enterprises themselves and secondarily be readjusted by society. In regard to the wage distribution system, we should improve and perfect the method of linking wage bills with economic results, change the method of linking wage bills with single targets into that of linking wage bills with compound targets, change the system of determining wages according to grades into that of linking wages with technical posts, and carry out the system of more pay for more work. These experimental enterprises should carry out the system of inviting managerial cadres and technical personnel, carry out the system of training workers before employment, conduct a system of having those who fail at the assessments wait for new jobs within plants on the premise of reducing their wages and material benefits.

The provincial Labor Bureau also decided to conduct flexible labor planning reform in Mudanjiang, Jiamusi, and Jixi Cities; and to reform the job-waiting insurance system at six match enterprises in Harbin and Mudanjiang Cities to gain experiences and to accelerate the pace of reform.

Heilongjiang Reclamation Benefiting From Reforms

OW2702111892 Beijing XINHUA in English
0839 GMT 27 Feb 92

[Text] Harbin, February 27 (XINHUA)—The former so-called "Bei Da Huang" (great northern waste), a reclamation area in northeast China's Heilongjiang Province, has benefited a great from its reform and opening to the outside world in the past decade or more.

Last year the area made 40 million yuan (about 7.8 million U.S. dollars) of net profits and the per capita income of the locals reached 1,100 yuan, 4.5 times the figure for 1978.

The area, which now covers 102 large and medium-sized state-run farms, is located in the Sanjiang and Songnen plains.

Before 1978 when the area started to carry out the policy of reform and opening to the outside world, the farms in the area were engaged merely in land reclamation and grain and soybean production, and neglected exploitation of the other local resources such as grasslands, forests, rivers, and native products. As a result, the farms had poor economic efficiency and losses incurred in many of them.

With the start of the reform and opening to the outside world, the leadership of the reclamation area decided to take the forms of joint venture, cooperative production and compensation trade to revitalize the local economy. So far, the farms in the area have managed to gain 156 million U.S. dollars of overseas funds to import 8,000 sets of advanced farm machinery and technology. Meanwhile, the area has set up 24 economic and technical cooperative projects with foreign firms.

In order to make better use of local resources, the area has set up 1,018 enterprises engaging in processing grain, dairy products, paper, medicine, construction materials and chemical products. And the output value of the enterprises accounts for 40 percent of the total of the area.

There are now 120,000 head of cattle, 10 times the 1978 number.

Besides, over 220,000 hectares of waste land was newly reclaimed and several hundred thousand hectares of low yielding farmland was improved, thus increasing the annual output of grain and soybean to 4.6 billion kg, 2 billion kg more than in 1978. The annual amount of grain and soybean sold to other areas of the country also grew to 3 billion kg from 1.3 billion kg.

The output of soybean alone was increased to 1.1 billion kg last year, 800 million kg more than in late 1970s.

Moreover, the area has also developed forestry, livestock, and production of aquatic and native products. In particular, some production bases of export-oriented products such as soybean, poultry, pilose antlers, canned food, and native wild vegetables have been built up. The number of varieties of the area's exports has risen from 4 to 130, 15 of which has an annual export volume surpassing 1 million U.S. dollars each.

In the 1985-90 period, the area's annual export volume reached 125 million yuan on the average, three times that in the 1980-1984 period.

Last year, the area earned 130 million U.S. dollars from its export, 26 percent more than in 1990.

So far, the area has established economic and trading relations with 130 economic organizations in 30 countries and regions, including the United States, Japan, Canada, Germany and Hong Kong.

Jilin People's Courts Conference Concludes

SK2502144692 Changchun Jilin People's
Radio Network in Mandarin 1030 GMT 24 Feb 92

[Text] At the provincial conference of presidents of intermediate people's courts, which concluded today, it was emphasized that people's courts at all levels should continue to deal strict blows to serious criminal activities and economic offenses to provide a good social environment for economic construction, make the best use of trials to adjust economic relations, and exert resolute efforts to achieve success in serving large and medium-sized enterprises and economic development.

At the conference, Du Qinglin, deputy secretary of the provincial party committee and secretary of the provincial political and legal commission, said during a discussion with presidents of the intermediate people's courts: In line with the central [words indistinct], we should emphasize the three major endeavors of developing production, strengthening party building, and safeguarding social stability this year. Courts at all levels should continue to resolutely implement the principle of dealing strict blows to serious economic activities and economic offenses to effectively safeguard the stable and united political situation and the good and stable social order. They should resolutely crack down on the sabotage activities of hostile forces and hostile elements, serious criminal activities, and serious economic offenses. At no time and under no circumstances should they slacken efforts in doing this.

Comrade Du Qinglin pointed out: Focusing on the new tasks of providing legal service and a legal guarantee for reform, opening up, and economic development, courts at all levels should perform their overall functions still better and make all their judicial work serve reform, opening up, and economic construction.

Speaking on the improvement of the people's judges contingent, Du Qinglin said: Judging from the overall situation, the contingent of judges is good and is loyal to the party, people, and socialism. It is also combat effective. We must persistently manage courts strictly and strive to build a politically strong and vocationally proficient contingent of people's judges who have the work styles capable of passing the stiffest test, and who are upright and never fall victim to flattery.

At the four-day conference of the presidents of intermediate people's courts, the attending delegates studied and mapped out measures in line with the specific conditions of various localities. They also discussed the several opinions of the courts throughout the province on further strengthening agriculture and rural service. They emphasized: Major and serious disputes over the production and management of large and medium-sized

state enterprises, especially the cases that involve large amounts of money and greatly affect production, should be handled in a timely manner, and the legal rights and interests of enterprises should be protected in a timely manner.

Liaoning Governor, Deputy Comment on Reform

OW2702111592 Beijing XINHUA in English
1035 GMT 27 Feb 92

[Text] Beijing, February 19 (XINHUA)—Liaoning Province, an old industrial base in northeast China, has gained new vitality in the process of reform and opening to the outside world.

Last year, the province reaped bumper agricultural harvests and industrial production value increased by 8.6 percent compared with the previous year, recovering from the low ebb of the past years.

Its export volume of local products was 3.24 billion U.S. dollars-worth last year.

However, provincial government officials are not satisfied with these achievements because Liaoning's economic development still cannot compare with that of the provinces of Guangdong, Jiangsu and Shandong as well as other coastal areas.

Wen Shizhen, deputy governor in charge of the province's industrial production, said at a provincial meeting on restructuring economic systems that the gap between Liaoning and the country's other coastal provinces in economic development would remind the Liaoning people of taking bolder and bigger steps in reform to revitalize the majestic appearance of Liaoning as an old industrial base.

In restructuring the economic system this year, the province will concentrate its efforts on deepening the reform of the managerial system of enterprises, particularly the managerial mechanism of the large and medium-sized state-owned enterprises, so as to inject vitality into these enterprises.

Yue Qifeng, governor of the province, said that the production of big and medium-sized enterprises is the key to the economic development of this industrial province.

Although the state-owned enterprises have more advantages in techniques and equipment, their efficiency and production are to some extent slower than those of some rural firms. The main reason for the problem lies in their managerial system and mechanism, Yue said.

The province will put stress on reform of the personnel and employment systems to get rid of the old norms of the "iron rice bowl," "life-long tenure of posts" and guaranteed wages for all employees. An incentive system will be set up in all enterprises, Yue said.

The contract system will be introduced between enterprises and their employees. Enterprises leaders should be selected from among outstanding workers, and those leaders who are not qualified will be dismissed from their posts. Wages will be doled out according to each worker's contribution.

The province will make various experiments in the reform of enterprise managerial systems. Some of the pilot enterprises will be chosen to enjoy the same preferential policies as foreign-funded enterprises do. Some will be allowed to carry out the share-holding system. Meanwhile, those enterprises whose fixed assets cannot pay off their debts, will be forced to close down, to stop production, to be merged by other firms, or to shift their production to other products, or just be forced to go bankrupt.

The governor said that the reforms are aimed at promoting the sales of industrial products.

He held that all the enterprises, whether they are rural enterprises or big state-owned enterprises should work hard to increase production according to the needs of the market and to be more competitive in the market.

This year the province will also deepen the reform of its systems in commodity circulation, housing and social insurance as well as the comprehensive reform of its administration system at the prefectural and county levels as well as other levels in the rural areas.

Liaoning Vice Governor on Economic Cooperation

SK2602030292 Shenyang Liaoning People's
Radio Network in Mandarin 1030 GMT 24 Feb 92

[Text] The provincial economic and technological cooperation work conference ended on 24 February. Wen Shizhen, vice governor of the provincial government, made a speech at the conference.

Wen Shizhen pointed out in his speech: Last year, the province took laying a foundation and creating a good image as the principle of economic and technological cooperation and made appropriate achievements in this regard. This year, we should elevate the cooperation work to a new high. In the Eighth Five-Year Plan period, the province should develop 25,000 economic and technological cooperation projects of various categories, increase the number of cooperative organizations of fairly large size from 170 to 270, import and export 5 billion yuan worth of goods and materials, transfer 4,000 scientific research findings, and organize and set up 42 integrated enterprises that are ahead of others in terms of scientific research work.

Wen Shizhen pointed out: To realize the aforementioned targets, we should change the present economic and technological cooperation work in three aspects. First, we should change the focus of the ordinary technological cooperation to the development of new high-tech cooperation. Second, we should change the focus of the

ordinary goods and materials cooperation to the development of foodstuffs enterprises and run some high-quality and high-tech enterprises. Third, we should change the simple domestic-oriented economic cooperatives to the export-oriented economic cooperatives dominated by the domestic-oriented economy. By opening to the outside world, we should widen the scale of cooperation and develop economic and technological cooperation in the world.

Northwest Region

Gansu Governor Addresses Economic Work Meeting

HK2602094192 Lanzhou Gansu People's Radio
Network in Mandarin 2300 GMT 24 Feb 92

[Excerpt] Yesterday afternoon, Governor Jia Zhijie delivered an important speech to the comrades attending the meeting on economic development in Dingxi Prefecture. He stressed: All prefectures must focus on economic construction, proceed from their actual conditions in everything they do, and further free themselves from old ideas to make a success of Gansu's economy.

In his speech, Governor Jia Zhijie said: To effect an upswing in our economic construction, we must first change our thinking, cast away outdated concepts, and act in line with actual conditions and the economic law. We should avoid formalism, seek truth from facts, and not have blind faith in the higher authorities and in books. We should draw on practices which have proved successful in enlivening the economy in developed areas. The provincial government, while granting industrial enterprises authority in five respects and lifting four restrictions in commercial activities, will focus on breaking with the malpractices of allowing everyone to eat from the same big pot and giving everyone an iron rice bowl, an iron chair, and an iron [words indistinct] and changing the enterprise operating mechanism as the first tasks in our efforts to comprehensively revitalize Gansu's economy.

To effect a basic turn for the better in agricultural production, we must, after completing the [words indistinct] projects, start the project of diverting water from the (Cha) He, which is the only way to solve the grain problem in Dingxi Prefecture. [passage omitted]

Xian Government Decides To Revive Silk Industry

OW2602034792 Beijing XINHUA in English
0244 GMT 26 Feb 92

[Text] Xian, February 26 (XINHUA)—Relevant government departments in Xian, the capital of northwest China's Shaanxi Province, recently decided to hasten development of the city's silk industry in order to meet demands of the international market.

Xian, the starting point of the ancient silk road, was once a major silk producer, and the city's current silk industry is small compared to many other Chinese cities because of the lack of raw material.

In recent years, the quantity of silk produced in Japan, South Korea and other large silk producing countries has declined, while the world-wide demand for silk products has continued to rise by three percent annually.

At the same time, the domestic market for silk products in China is also on the rise, and official statistics show that the country needs over 245 million square meters of silk products per year to meet domestic demand.

As part of an effort to produce more silk products, Xian initiated a program to plant more mulberry trees, the ideal food to ensure silkworms weave high-quality cocoons—the raw material for manufacturing silk.

According to Ding Wenyu, deputy chief engineer of the Xian Textile Industry Corporation, the natural conditions in the region surrounding Xian are ideal for growing mulberry trees. In addition, the wasteland in the regions can be easily transformed into mulberry groves.

Ding noted that over the next few years the city plans to expand mulberry groves from 200 mu (about 13.3 hectares) to 80,000 mu (about 5,333 hectares). The yearly cocoon output is expected to increase to 4,500 tons.

The goal of the city is to become one of the country's major silk producers. As part of an effort to realize the goal, the city will import advanced production lines from Germany and Switzerland in order to manufacture high-quality silk.

Local tourism officials say that development of the city's silk industry will also contribute to the already booming local tourism industry, and overseas tourists are expected to buy even more silk products.

Xinjiang Stresses Trade With Nearby Countries

*OW2702035792 Beijing XINHUA in English
0153 GMT 27 Feb 92*

[Text] Urumqi, February 27 (XINHUA)—Northwestern China's Xinjiang Uygur Autonomous Region recently made a decision to give priority to economic and trade co-operation with its neighboring countries.

Xinjiang started recently its new policies of encouraging trade and economic and technology cooperation with its neighboring countries and east European countries.

The policies include delegating more economic management and foreign trade power to local areas and preferential measures to enterprises specializing in local and border trade and economic and cooperation.

According to a local official, an economic and trade delegation headed by a deputy governor of Xinjiang is visiting several central Asian countries and is seeking closer economic and trade cooperation with those countries.

He said Ili, Kashi and Tacheng Prefectures and other counties and prefectures are implementing or mapping out plans to open wider to the outside world.

Xinjiang targets its annual trade volume with its neighboring countries at 250 to 300 million Swiss francs, accounting for 30 percent of its total foreign trade, or an increase of 8.3 percent over the current level.

Meanwhile, Xinjiang will use more western investment to upgrade its communications, telecommunications, power and other infrastructure and exploit its rich energy resources, said the official.

Xinjiang plans to use 134 million U.S. dollars of foreign investment this year.

The region also plans to open two trading ports on the border with the Republic of Kazakhstan, which will bring the total number of Xinjiang's trading ports to 11.

Urumqi, the capital of Xinjiang, is to host the first economic and trade fair in September.

Local officials said that the fair aims to boost Xinjiang's trade and economic cooperation with its neighboring countries.

It is also considering setting up economic and technology development zones in west Xinjiang's border ports and cities and border free markets.

By the end of January, trade contracts between Xinjiang and some members of Commonwealth of Independent States (CIS) exceeded 700 million Swiss francs.

Statistics show the trade volume between Xinjiang and its neighboring countries was nearly 100 million U.S. dollars in 1991, up 41.9 percent over the previous year.

Xinjiang, which covers an area of 1.6 million sq km, has a 5,000 km border with central and south Asian countries and some CIS members.

The second Eurasia continental bridge, an international railway line which links east China's port city Lianyungang and Rotterdam in the Netherlands, is scheduled to open to traffic this September.

Local officials said that the Eurasia continental bridge running across Xinjiang will greatly facilitate Xinjiang's opening to the outside world.

UK Official Promises To Strengthen Ties

OW2502100392 Taipei CNA in English 0825 GMT
25 Feb 92

[Text] Taipei, Feb. 25 (CNA)—The Republic of China [ROC] and Britain will strengthen cooperation in banking, telecommunications and high-technology industries, Economic Affairs Minister Hsiao Wan-chang announced Monday.

Hsiao made the statement after a one-hour meeting with John Redwood, British minister of state for corporate affairs, Department of Trade and Industry, currently here for a three-day visit.

During their talks, Hsiao said, Redwood expressed the keen interest of his government in boosting trade and economic relations with Taiwan.

Hsiao told Redwood, the highest-ranking British official to visit Taiwan since the two countries suspended diplomatic ties 42 years ago, that Taipei also hopes to expand economic cooperation with London.

The minister suggested that the two countries establish "high-level" channels of communications to facilitate bilateral exchanges. Senior trade and economic officials from both countries may also exchange visits from time to time to enhance mutual understanding, he added.

Since Britain is a front runner in telecommunications, financial services and some high-tech industries, Hsiao said, Taipei can benefit from cooperating with London in these fields.

Redwood agreed to Hsiao's proposals and promised to help British and Chinese companies form joint ventures in these lines of business for their mutual advantage.

Earlier in the day, Redwood met with Chang Lung-sheng, vice chairman of the Council for Economic Planning and Development (CEPD), to discuss possible bilateral cooperative programs.

Redwood pointed out that there is still ample room for Sino-British economic cooperation. Britain is currently Taiwan's second largest trade partner in the 12-nation European Community, but annual two-way trade averages a mere 300 million U.S. dls [dollars]. "Given Taiwan's mounting economic strength and purchasing power," the British official said, "there should be room for our trade to grow."

As London is a world financial center, Redwood said, his country can help Taiwan realize its goal of becoming a regional financial hub.

During his talks with Vice Finance Minister Li Chung-ying, Redwood expressed London's interest in organizing syndicated loans for Taiwan to finance its multi-billion-dollar Six-Year National Development Plan.

Li told Redwood, however, that the ROC Government has no plan to borrow from abroad for its Six-Year Plan.

"We'll first use our foreign exchange reserves to fund our development projects," he explained.

Chien Says No Interest in Ties With DPRK

OW2702110792 Taipei CNA in English 0825 GMT
27 Feb 92

[Text] Taipei, Feb. 27 (CNA)—The Republic of China [ROC] is not interested in establishing ties with North Korea, one of the few remaining "diehard" communist states in the world, Foreign Minister Fredrick Chien [Chien Fu] said Wednesday.

Meeting a group of South Korean reporters, Chien said that the government cannot stop civilians from visiting North Korea to seek trade opportunities.

However, he added, the private sector has learned from their visits there that such opportunities are few.

On the other hand, Chien said that there is ample room for the further development of relations between the Republic of Korea [ROK] and the Republic of China.

Economics is an important factor in shaping a new world order emerging from the collapse of communism, Chien said. The ROC and ROK economies can "supplement" each other, so their cooperation is in the best interests of both, he added.

Asked how Taipei would respond if Seoul set up official ties with Peking, Chien said that he preferred not to answer a hypothetical question.

He told the Korean journalists that he was "indignant" about Japan recruiting Korean women to serve as sex slaves for its Imperial Army during World War II.

Chien said he had asked ROC officials based in Korea and Japan to gather information about "comfort girls" recruited from Taiwan.

The Foreign Ministry will "do something if it obtains concrete information," he added.

Economic Consultations With Philippines Begin

OW2702110492 Taipei CNA in English 0830 GMT
27 Feb 92

[Text] Taipei, Feb. 27 (CNA)—Officials from the Republic of China [ROC] and the Philippines met Wednesday in Taipei to consult on economic relations between the two countries.

The two parties have decided to hold routine consultations alternatively in Taipei and Manila once every two years.

Chinese Vice Economics Minister Lee Shu-jeu and Philippine Undersecretary of Trade and Commerce Tomas Alcantara jointly presided over the conference at the Ministry of Economic Affairs.

During the meeting, ROC officials asked the Philippines to simplify screening procedures for Taiwan investments and to improve water and electricity supplies to their factories.

The Philippine negotiators suggested that the ROC lower import tariffs on coconut and palm oil, and improve working conditions for Filipino workers in Taiwan.

The two sides failed Wednesday to reach any agreement on an investment guarantee agreement. Philippine officials said they need to further consult their government before deciding on whether or not to sign it.

A joint communique emphasizing the willingness to further strengthen economic cooperation between Taipei and Manila will be signed Friday upon the conclusion of the two-day conference.

Meanwhile, Tomas V. Apacible, commissioner of the Philippine Bureau of Customs and member of the Philippine delegation, met with Inspector General of Customs Jan De-bo Wednesday for a discussion on customs affairs and cooperations.

Apacible had visited Taipei in January and signed a memorandum on customs cooperation between the Philippines and the ROC.

Ministry Says Tiaoyutai Belongs to ROC

*OW2702090592 Taipei CNA in English 0820 GMT
27 Feb 92*

[Text] Taipei, Feb. 27 (CNA)—The Interior Ministry claimed Wednesday that the Tiaoyutai [Senkaku] Island group, 110 nautical miles off the northeastern tip of Taiwan, is an inalienable part of Republic of China [ROC] territory.

"This is a fact beyond doubt," the ministry said in response to the adoption Wednesday of a Territorial Waters Law by the Central Standing Committee of Peking's National People's Congress.

Legislator Wang Shih-hsiung asked why the ministry, in its draft territorial waters law, did not list all ROC islets?

Ministry officials said that they had not listed all ROC islets in the draft law, still under discussion at the Executive Yuan, for fear that some might be "missed" from the list.

Tsai Jih-sheng, an official of the ministry's department of land affairs, said that according to the Constitution, not only are the Tiaoyutai islets "ours," but the Tungsha (Pratas), Chungsha (Macclesfield Bank), Hsisha (Paracel) and Nansha (Spratly) Islands in the South China are also "all ours," Tsai said. He stressed that "we have never given them up."

The official quoted the draft law as saying that the Executive Yuan is responsible for publishing the base-lines for measuring the ROC's territorial waters.

It would be more "flexible" not to define them precisely because the ROC coasts, from the Yalu River mouth in the north to Peilun River mouth in the south, change constantly with the tides and adjacent shoals, Tsai said.

He said that since the government's definition of territorial waters is "identical with" that of Peking, the statute governing cross-strait relations, awaiting legislative approval, should include articles to deal with possible economic or security conflicts with the mainland.

As the ministry's draft law is still being screened by the cabinet, Tsai said the territories can be listed if the Legislative Yuan prefers.

The government is considering forming a "Nansha Task Force" and charging it with overall responsibility for developing the island group, whose sovereignty has long been disputed by neighboring countries.

Communist China and Vietnam, in particular, have strongly claimed that the South China sea island group is theirs.

To assert the ROC's sovereignty over the Nansha, the supra-ministerial task force will study the feasibility of laying undersea cables, opening sea routes, and building artificial islets there, an interior ministry official said.

However, it will take "quite some time" to establish the task force, to be headed by the interior minister, as it will involve many government departments, the official pointed out.

Hao Does Not Hope for Turmoil on Mainland China

*OW2702092692 Taipei CNA in English 0752 GMT
27 Feb 92*

[Text] Taipei, Feb. 27 (CNA)—Premier Hao Po-tsun said Wednesday that, as a Chinese, he does not hope to see Mainland China thrown into turmoil because that would affect the well-being of the mainland compatriots.

Hao made his remarks in answer to a question by Hong Kong journalists who asked whether he thinks fierce power struggles and chaos will follow Deng Xiaoping's death.

The premier told 17 senior journalists from Hong Kong that with communism fast on the decline around the world, drastic changes will certainly occur in Communist China.

Demands for political reform and democratization cannot be stopped, he added.

Commenting on a possible Peking invasion of Taiwan, Hao said that though the Republic of China's Armed Forces are smaller than those of the mainland, it enjoys an edge in quality.

The Republic of China on Taiwan is fully capable of defeating a first and a second wave of military attacks from Communist China, said the former chief of the general staff.

Hao admitted that if Communist China blockades the Taiwan Strait, it would affect Taiwan's morale as well as foreign trade.

But then Peking must consider the international response and the feelings of mainland people about using arms against their Taiwan compatriots, he noted.

Premier Hao said the only thing that would trigger an armed invasion of Taiwan by Communist China is Taiwan declaring its independence, an occurrence which he thinks is unlikely in view of the Taiwan electorate's disapproval shown in the recent national assembly elections.

Hao also affirmed that the Republic of China will not withdraw from Hong Kong after 1997.

The government will do all it can to help Hong Kong maintain its freedom, democracy and prosperity, he said.

Council Suggests Mainland Give Formula Test Run
*OW2502093792 Taipei CNA in English 0806 GMT
25 Feb 92*

[Text] Taipei, Feb. 25 (CNA)—Huang Kun-hui, chairman of the Mainland Affairs Council, suggested Monday that Peking implement its "one country, two systems" in one or two provinces in southeastern China to see if the formula can convince people in Taiwan and Hong Kong that it will indeed be good for them.

Meeting a group of journalists from Japan's ASAHI SHIMBUN, Huang said Peking's "one country, two systems" offer to unify with Taiwan is a "united front" tactic which aims to unify the territory before unifying the systems.

Peking is only attempting to seize political power before seeking to unify the systems, Huang pointed out. "This is putting the cart before the horse," he said.

Another reason the Republic of China [ROC] will not accept Peking's offer is that Peking regards itself as the "central government" and downgrades the ROC government to the status of a "local government," Huang added.

He told the Japanese journalists that if Peking continues its "four not's" policy toward Taiwan, it will be difficult for Taiwan to set up "three links"—trade, postal, and transportation—with the mainland.

He explained that Peking has "not" lessened its hostility toward Taiwan, has "not" given up attempts to take Taiwan by force, has "not" recognized Taiwan as an

equal political entity, and has "not" abandoned its attempts to prevent Taiwan from developing its foreign relations.

As a result, he noted, Taipei will not agree to direct transportation, trade and mail links with the mainland. They must therefore remain indirect.

The MAC chief said that without a goodwill response from the Peking regime, Taipei will patiently work to create conditions favorable for national unification according to the government's guidelines.

The National Unification Guidelines call for a "phased" implementation of the government's mainland policy without any timetable for its progress.

This is because the realization of the goals of the ROC's mainland policy depends very much on interactions across the Taiwan Straits, Huang noted.

Defense Paper Views Possibility of PRC Attack
*OW2402153892 Taipei CHUNG KUO SHIH PAO
in Chinese 18 Feb 92 p 11*

["Special" report on "National Defense White Paper" released by the Defense Ministry on 17 February: "Chinese Communists To Slash a Million Troops but Do Not Renounce Intention To Invade Taiwan"]

[Text]Seven Opportunities To Invade Taiwan: (1) Taiwan Heading for Independence; (2) Turbulence Within Taiwan; (3) Weakening of the Combat Capability of the Nationalist Army; (4) External Interference in Internal Affairs; (5) Taiwan's Long-term Rejection of Talks; (6) Taiwan's Development of Nuclear Weapons; (7) Taiwan's "Peaceful Evolution" on the Mainland Threatening the Chinese Communist Regime

Chinese Communists' Menace Taiwan

1. The Intention To Invade Taiwan

The Chinese Communists' menace and invasion of Taiwan has not ceased since 1949. The "Battle of Ku Ning Tou" in winter 1949, the "Battle of Yi Chiang Shan" in spring 1954, and the "23 August Artillery Engagement" in autumn 1958, were explicit assault actions. However, the strong resistance gallantly put up by our officers and men not only foiled the Chinese Communists' attempts but also, from then on, laid the foundation for Taiwan's long-term stability upon which the rich and prosperous society of today is established.

However, the Chinese Communists have never given up their intention to invade Taiwan. Up until today, they have not responded with goodwill to our termination of the Period of Mobilization for Suppression of Communist Rebellion and our indication to no longer resort to force in solving the issue of Chinese unification. They still refuse to give up the possibility of taking Taiwan by force. In recent years, due to changes in the subjective

and objective situations both domestically and internationally, the Chinese Communists have changed their strategies by strengthening United Front tactics. On the one hand, they try to soften us by such nonmilitary means as "one country, two systems," "negotiations between the two parties," "economic investments," and "direct exchanges." And, on the other hand, try to attack, suppress, and isolate us in the international community; refuse to recognize us as a political entity; and instruct their operational staff departments to continuously study and draft various combat plans for the liberation of Taiwan; and threaten Taiwan's security by repeated exercises involving real troops. These two-faced tactics fully demonstrate that they have not changed their intention to invade Taiwan despite the easing of the world situation.

2. The Opportune Times To Invade Taiwan

After reviewing statements made by the Chinese Communist leadership in recent years, we can identify the following seven circumstances which they will use as excuses and opportunities to invade Taiwan:

1. When Taiwan is heading for "independence."
2. When turbulence occurs in Taiwan.
3. When the strength of the nationalist forces is relatively weak.
4. When foreign forces interfere in Taiwan's internal problems.
5. When we refuse talks on unification on a long-term basis.
6. When we develop nuclear weapons.
7. When our "peaceful evolution" on the mainland threatens the Chinese Communist regime.

Among the above conditions, the most dangerous and most probable is "Taiwan independence." This is because Chinese Communist leaders at various levels—in view of historical and national implications, and concern about the possible separation of Tibet, Xinjiang, and the Inner Mongolia—will never tolerate Taiwan becoming "independent" from China. Besides, using force under this pretext may well enable them to garner the consensus of the mainland people through nationalism to justify their actions. Moreover, the weakening of the defensive strength of the Republic of China, brought about by Taiwan's internal turmoil, will provide the Chinese Communists with an opportunity. Historically, there are very few cases in which a government beset by internal trouble has defeated an invasion by a strong enemy. The recent dismantlement of the CPSU following an abortive coup staged by the conservative faction, has seriously threatened the Chinese Communists, prompting leaders like Teng Hsiao-ping [Deng Xiaoping] to not only identify "resistance to capitalist peaceful evolution" as an immediate central task, but also, in a bid to extricate themselves from an increasingly isolated international situation, to make irrational and stupid moves using the pretext of "Taiwan independence." Teng Hsiao-ping's health is another dangerous

variable. The realization of Teng's longstanding wish to "unify the motherland" before his death should alert us further.

3. Possible Actions While Invading Taiwan

Broadly speaking, the actions to be taken by the Chinese Communists while invading Taiwan take nonmilitary and military forms. In actual fact, nonmilitary action has been going on consistently. Their scope is much wider than that of the United Front, alternating the use of the two-faced tactics of threat and inducement in their attempts to capture Taiwan. The following ways may be carried out simultaneously:

1. Starting with internal subversion, to create turmoil, and coupled with other supporting means, achieve victory from this unrest.
2. Intensifying diplomatic isolation to lower Taiwan's status in the international community.
3. Encouraging Taiwan capital for economic investment in the mainland, and after a certain degree of accumulation, making this valuable investment restrict Taiwan's policies toward the mainland.
4. Easing confrontational tension by inducing talks that are designed to psychologically slacken and destroy the will of the Taiwan people.

As regards possible military action, the Chinese Communists have always been studying and drafting plans along with nonstop practice. After the Persian Gulf war, amendments were made in accordance with the prevailing conditions. Their plans are roughly as follows:

1. To capture the outlying islands of Kinmen [Quemoy] and Matsu by launching a sudden armed assault.
2. To impose a long-term air and sea blockade on Taiwan aimed at both isolating and bottling it up.
3. To bomb Taiwan with aircraft, missiles, and even tactical nuclear weapons to paralyze it and force a surrender by war.
4. To capture Taiwan by multi-point landings of both regular and nonregular troops.

The military action mentioned above may be carried out singly or with a combination of several, depending on the subjective and objective prevailing situation.

4. Capability To Invade Taiwan

Strategically, in assessing the enemy, we should take the perspective of its capability and not just judge the possibility of its invading Taiwan. Since the Chinese Communists' adoption of the policy of "modernizing national defense" more than a decade ago, the combat capabilities of their Army, Air force, and Navy have been enhanced sharply. In particular, the recent easing of Sino [Chinese Communist]-Soviet and Sino-Vietnamese confrontation has relieved pressure from both the north and the southwest, enabling them to direct more troops against us, and to strengthen their capability to invade Taiwan. The fact that the Chinese Communists do not act now is because the risked cost of invading Taiwan

does not meet their requirements; and more importantly, they do not think that the current political situation and conditions are ideal enough.

5. Possible International Reaction to Attacks on Taiwan by Chinese Communists

Although greater attention has been paid to international ethics as a new international order is about to take shape, the principle on which the handling of international affairs is based cannot be separated from self-interest. Most countries of the world regard the dispute between the two sides of the Taiwan Strait as China's internal affair and support a peaceful solution to the dispute. The three communiques concluded between the United States and the Chinese Communists—the Shanghai Communique (1972), the communique on the establishment of diplomatic relations (1978), and the 17 August Communique (1982)—all emphasize this position. If the Chinese Communists violate the agreements in these communiques, the United States is expected to adopt appropriate action on the basis of the spirit of the "Taiwan Relations Act" after finding out how much the threat to the safety of the people, and the social and economic systems in the Taiwan area will harm American interests.

Next, there are close economic and trade relations between Japan and our country. A stable and prosperous Taiwan is in absolute conformity with Japan's economic interests. Besides, the strategic position of the Taiwan Strait has a bearing on the lifeline of Japan's economy and trade. Japan will certainly not want to be affected by war in this region. Because Japan is the most important U.S. ally in Asia, Tokyo's attitude will affect the decision Washington will make if and when our country is invaded by the Chinese Communists.

Currently, South Korea is very eager to establish diplomatic relations with the Chinese Communists. No matter how the relations between South Korea and the Chinese Communists will develop in the future, there are still many common interests between China and South Korea. As there is a strong traditional friendship between China and South Korea, we believe that South Korea will absolutely not want to see our country being invaded. The rapid increase of capital from Taiwan in Southeast Asia in recent years has brought about closer relations between countries in this region and our country. Moreover, various countries in Southeast Asia have been suffering from the harm of communist rebellion and subversion. All of them believe that if our country remains unshaken, it will be conducive to their development. Therefore, fearful of the upheavals that might be caused by the invasion of Taiwan by the Chinese Communists, these countries will ask the United States to make efforts to stop the Chinese Communists' acts of aggression.

With respect to West European countries, they cherish freedom and practice democracy. Their economic and trade relations with the Republic of China are becoming

stronger with each passing day. We believe they will not sit idly by watching the democratic and prosperous Republic of China being invaded by the Chinese Communists, but will cooperate with the United States in taking the necessary measures to maintain peace and stability in the Taiwan region.

In short, most countries of the world would not like to see the invasion of Taiwan by the Chinese Communists. However, if the Chinese Communists were to blazely ignore all consequences and were able to conclude the war quickly, it is afraid that all countries of the world will have to acknowledge the fait accompli of the occupation of Taiwan by the Chinese Communists. Therefore, the best way to safeguard Taiwan is to improve our strength for resisting the threat from the Chinese Communists.

Forces Combat Ready

*OW2602114892 Taipei CHUNG KUO SHIH PAO
in Chinese 18 Feb 92 p 10*

[Special report on "National Defense White Paper" released by the Ministry of National Defense on 17 February: "In Defense Policy, the Armed Forces of the Republic of China Act on the Constitution and the Three Principles of the People; in Case of an Unexpected Change in the Situation in the Taiwan Strait, the Armed Forces Will Be Combat Ready"]

[Text]The Concept for the Building of the Armed Forces

The mission of the Armed Forces of the Republic of China is to act on the Constitution; implement the Three Principles of the People; and safeguard the independence, freedom, and equality of the republic and the present territorial sovereignty and government authority of the country. It is based on this mission that the concept for the building of the Armed Forces is designed, with a view to coming up with a concrete plan for the building of the Armed Forces of the Republic of China in the next decade. This concept mainly contains overall strategic conception, the building of spiritual fighting strength, and the building of the Armed Forces.

Overall Strategic Concept

The Armed Forces of the Republic of China, for defensive purposes, consolidate and build their air, naval, and ground forces according to their mission and in consideration of the situation of a possible enemy threat and the characteristics of modern warfare. In so doing, the Armed Forces also take into account the geographical factors of the Taiwan area, the strength of the country, and the international situation. At the same time, the Armed Forces also make vigorous efforts to develop defense science and technology, update their weapons and equipment, pursue a crack-troops policy, and improve their mobilization system. This is aimed at strengthening the fighting capability of the Armed Forces as a whole and their continual-fighting capability, building up an effective armed force capable of deterring

the enemy from launching an invasion, and thus ensuring the security of the country.

The Building of the Armed Forces

1. The composition of the Armed Forces:

The composition of the Armed Forces is determined by the type of warfare, the characteristics of relevant areas, and the development of science and technology. For this reason, in a defensive war in the Taiwan area, first priority should be given to control of the air and the sea; however, ground fighting is still considered the last means to decide the victory or defeat in a war.

The present composition of the Armed Forces is rather rational, but it will continue to be examined and improved. Priority in the military budget will be given to the Navy and the Air Force in order to increase the fighting capabilities on the sea and in the air. The different directions of development for the various armed services are as follows:

(1) The Army: The Army is to be automated and equipped with more armored vehicles and electronic instruments and to acquire a three-dimensional [li ti hua 4539 7555 0553] fighting capability. It will continue to adjust the proportions of its arms, simplify its chain of command, and improve its logistics system, implement the concept of mobility in fighting, increase its ability to control the battlefield, and strengthen the training of troops in coastal defense and combined operations in order to bring the combined arms into full play.

(2) The Navy: The Navy is to develop itself into an offshore navy with a three-dimensional fighting capability; it should strengthen its air defense, antisubmarine, and surface fighting capabilities and its capability of fighting with mines. It should modernize weapons and equipment of its main fighting forces, fight submarines with submarines, and improve its capability of fighting with mines. It should build up its strength and increase its warship- and land-based antisubmarine helicopters in order to strengthen its ability to control the sea and expand its antisubmarine and antiblockade capabilities. The Marine Corps is to be modernized and mechanized; under its present frame, it should strive to increase its air defense and antitank fighting capabilities.

(3) The Air Force: The Air Force is to build a tactical air force as its main objective. In addition to acquiring high-performance fighters, it should improve its missiles for air domination as well as its antiaircraft advance warning system and air-control ability in order to ensure the security of the air space; meanwhile, it should have an all-weather antisubmarine, mine-laying, night-attack, and troop-transporting capability.

2. Requirements for Weapons and Military Equipment:

For the purpose of building a self-reliant national defense, the national Armed Forces' weaponry and equipment should, in principle, mainly be developed by

ourselves. Therefore, in accordance with the need to build up the Armed Forces and maintain the combat readiness of the Armed Forces; and taking into consideration the development time and process, costs, and efficiency of the Chung-shan Institute for Scientific Research and the supporting capability of the industrial sector and academic circles, weapons and military equipment will be made by ourselves or purchased from other countries under unified planning. To speed up modernization of our weapons and military equipment, we will actively gather relevant information at home and abroad and open up supply sources. As for self-made weapons, we will, through production in cooperation with other countries, introduce modern technology from other countries and shorten development times and processes; we will strive to make our self-made general conventional weapons reach the world's highest standard and our self-made sophisticated weapons as good as those of developed nations, in order to promote the development of precision weapons. In addition, the Armed Forces should extensively make use of simulators for training in order to reduce training costs and extend the life span of weapons and equipment. At the same time, we will strive to develop an automated and consolidated system of command, management, communications, and intelligence, as well as electronic warfare equipment. Major development plans for each arm of the service are as follows:

(1) The Army will give priority to developing antiaircraft missiles and anti-armor weapons in order to enhance its land-based air defense capability and its anti-armor capability and to ensure our freedom of movement. It also will actively develop medium-size tanks and armored ammunition carriers, purchase combat helicopters, and develop light river-crossing equipment, in order to enhance the Army's combat mobility, to enable troops to disperse and gather quickly, and to create favorable combat situations. To enable us to keep track of the enemy's movement as early as possible, we should continue to enhance our electronic warfare capability; develop observation, night-vision, and coastal defense equipment; develop a fire control system for artillery troops; and improve our nuclear, biological, and chemical defense capability, in order to more effectively fight ground battles.

(2) The Navy will complete the modernization of its second-generation main fighting forces and the deployment of shore-based missiles. It will continue to develop and build off-shore patrol boats, ship- and shore-based large anti-submarine helicopters, and submarines, in order to effectively counter the enemy's sea blockade and to win command of the Strait of Taiwan.

(3) The Air Force will phase out its existing types of airplanes in accordance with the IDF production plan, actively develop second-generation high-performance fighter aircraft, and improve its air combat weapon systems, in order to enhance its air-defense interception capability, its counter-attack and anti-submarine capability, and its capability to closely support ground forces.

In addition, based on overall air defense needs, the Air Force will strive to acquire aircraft for electronic warfare and AWACS, modernize its land-based anti-aircraft weapon system, and complete the project of moving air bases underground, in order to maintain our air combat capability.

Guidelines for War Preparations

The guidelines for war preparations for the Armed Forces is meant to serve as a mode of conduct and guidance for all military operations, military mobilization and the use of the police force for public security to ensure national security in the event of an unexpected change in the situation in the Taiwan Strait and when the national defense has to change from a peacetime condition to a wartime condition. Its main points are as follows:

Guidelines for Military Operations

1. Air Defense:

The use of effective surveillance and monitoring equipment and automated air defense installations will alert our defenses at an early stage. To deal with enemy aircraft which have intruded into our territorial air space, the Air Force operations center will exercise the overall distribution of fighters, air defense missiles and artillery for counterattacks. It will also carry out multi-layer interceptions and attacks in order to fortify air defenses. In addition, it will seize every favorable opportunity to launch an offensive to destroy and weaken the enemy's sustained power of attack.

2. Sea Defense:

To meet possible wanton attacks by the enemy on our warships, the blockade of our harbors and sea lanes, the Navy should, in addition to mounting the necessary guard and vigilance, conduct such operations as mine-sweeping, reconnaissance, and the escort of warships, as well as open up safe sea channels and carry out antiblockade tasks. At the same time, in order to have the initiative in our hands, the Navy should, in coordination with efforts made in the air and on the shores, strengthen its combat strength, and choose the right time and space to intercept the naval force of an intruding enemy.

3. Land Defense:

The most important combat tactic is defending against landings. First, it is necessary to check from the air the enemy's regular landing force while they are on the move, and strive to destroy part of them by intercepting them at sea, so as to break up the order and control of the landing force, thereby making them lose their fighting power on land. In case the enemy's land force is still capable of entering coastal waters, then it is necessary to mount a joint attack from the shore and return fire at the approaching landing force in a bid to fend off the enemy troops near the waters, and when they scramble toward

the beaches, or effect a landing, along with parachute landing, our land defense should, in accordance with the guiding principle of "first launch the attack from the air, and then by land," mount counterattacks and mopping-up operations jointly by the Armed Forces with high mobility and quick decisions. To ensure the success of a decisive ground combat, it is necessary to actively study the methods of containing the operations of nonregular enemy forces and their special equipment, and also to rebuild and reinforce our defense works, and fortify the battlefields.

4. Preventive Operations:

In the light of the guiding principle of "taking preventive measures to eliminate possible troubles in an imperceptible manner," it is necessary to mobilize the strength of the entire people, to ensure internal security, to improve the management and training of reserve forces, to establish a consistent civilian defense and combat system for both peacetime and wartime, do a good job in wartime mobilization and general war preparation work among everyone, and to give full play to their sustained combat strength in support of military operations.

5. Political Warfare:
In accordance with the precept of "strengthening oneself, cooperating with the public, and disintegrating the enemy," and based on the need for cultivating a fighting will, efforts will be made to enhance the confidence of officers and men in securing eventual victory, to boost their morale, to ensure troop security, to gain popular support, and to make full use of intangible combat power in supporting military operations.

6. Electronic Warfare:

Efforts will be made to gather extensive information on electronic warfare capabilities, to actively develop our capacity for waging electronic warfare, to make timely use of electronic weapons in counterattacks and operations to repulse such attacks, to coordinate battlefield and special attack operations, to interfere with and sabotage the enemy's observation and communication systems, missiles, and naval and air bases, with a view to eroding the enemy's combat power, to further enhancing our fighting capability, and to altering our position vis-a-vis the enemy.

Organization of Military Forces in the Future

Formulation of plans for organizing military forces will be based on military policies and concepts for army building. Such plans will be made every five years with due consideration to manpower, material resources, and financial resources. Specific organizational schemes will be implemented on a yearly basis to attain the desired goals.

The organizational plan for our Armed Forces during fiscal 1992 will follow the guidelines of the fiscal 1991 plan. These guidelines call for implementing policy to

streamline troops, for accelerating military modernization, and for enhancing combat power—in order of priority—in air, naval, and army defenses.

Projected military forces: The projections of military forces will be based on a balance between two factors—minimum needs for resisting threats and available manpower. Our Armed Forces currently have over 470,000 troops, excluding reservists, and possesses an effective defense capability. Nevertheless, changes in the situation will require the improvement of combat power through reduction of force projections and acceleration of the modernization drive.

Planned reorganization: Along with the implementation of a policy to streamline forces, efforts will be made to enhance airborne, seaborne, and land-based operational capabilities in accordance with the principle of maintaining the existing structure and framework of the three services of the Armed Forces. Continued efforts will be made to strengthen nuclear, biological, and chemical defense capabilities; to automate command, control, communications, and intelligence-gathering operations; to move weapons, equipment, oil, and missile facilities underground; and to improve the livelihood and welfare of officers and men.

The planned reorganization of the various armed services follows:

1. The Army will consist of 22 divisions, two airborne brigades, six armored brigades, two tank units, and one unit each for flight and navigation command.

Armored and air defense troops will be refitted, and helicopter gunship units will be created.

2. The Navy will be divided into two destroyer fleets, two Marine division, and one fleet each for cruising, landing, and mine-laying operations, general services, and submarine-based operations. It will also consist of a battalion for helicopter-based antisubmarine operations, the Haifeng and Haichiao battalions, a tank regiment for landing operations, and an observation and communication command unit.

Principal and auxiliary combat vessels will be replaced as shipbuilding work progresses, and the Haifeng Battalion will be expanded.

3. The Air Force will consist of seven combat companies and one company each for troop-carrying and antisubmarine operations, air and navigational services, operations management, weather forecasting, and electronic warfare. It will also include 14 artillery defense battalions and 11 guard battalions.

With the production of Indigenous Defense Fighters, old combat aircraft will be replaced every year to pave the way for the introduction of high-performance combat aircraft.

4. The Combined Service Forces will include five munitions factories, two operational plants, two survey workshops, and one aircraft manufacturing center.

5. The Garrison Command and the provincial military district will consist of four division areas, 21 regiment areas, and one vocational training corps.

6. The Military Police will include 35 battalions and three armored military police battalions.

Manpower Planning

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in Chinese 18 Feb 92 p 9

[Special report on "National Defense White Paper" released by Defense Ministry on 17 February: "Fully Utilize Human Resources, Number of Active Service Members of the Three Services Stands at About 470,000—Future Emphasis Will Be Placed on Streamlining and Strengthening the Services and Improving Personnel Quality To Give Full Play to the Overall Combat Strength"]

[Text] Human resources are one of the principal elements of national strength. The quantity and structure of human resources have a significant bearing on national security and development. In national defense, human resources mean citizens who are capable of supporting or participating in national defense. In planning for these human resources we should take into account the national objective, the threat to our national security, the strategic conception, the direction of combat operations, and the needs of national economic development to economically and properly distribute the country's human resources for appropriate and effective use. The purposes are to maintain during peacetime a minimal force of active servicemen who can serve as a deterrent to the enemy and deal with sudden conflicts, as well as to carry out full mobilization during wartime to support and expand the existing active Armed Forces to accomplish combat missions and safeguard national security. The following is a brief account of the present manpower in the Taiwan region of the Republic of China:

1. Military Manpower 1. Number of personnel on active service: around 470,000. 2. Number of males liable for national service annually:

There were 150,000 males liable for national service in 1991. The number is estimated to average about 144,000 from 1991 to 1995 and about 164,000 from 1996 to 2001. However, after the implementation of a system allowing males liable for national service to enroll in evening courses at universities or colleges, the number may reduce by about 4,000 before 1996. 3. Number of reservists: around 3.5 million. 4. Number of trained militiamen: around 280,000. 5. Total manpower: over 4 million.

II. Potential Military Manpower (as per statistics on 1 July 1991)

1. Total population (including Quemoy and Matsu): 20,376,000 (10,589,678 males and 9,786,322 females). 2. Population of residents above 15 years of age: 14,612,000 (7,564,000 males and 7,048,000 females). 3. Population of residents aged between 15 and 64 who are active in the economic field: 9,974,000 (6,205,000 males and 3,769,000 females), or 49.15 percent of the total population. This is the working population and the cream of our manpower. 4. After subtracting the number of reservists and personnel on active service from the number of active males in the economic field, the balance is 1.9 million. Adding more than 3.7 million females to this figure, we will have a total of over 5.61 million. With properly planned training and control during peacetime, they will become our supplementary manpower during wartime.

III. Appropriately Modify Military Organizations, Rationally Reduce the Desired Size of Armed Forces

Since 1982, the national Army has reduced over 50,000 troops and dissolved 617 units to rationalize the organization, setup, and desired size of the Armed Forces. Nevertheless, the ratio of vacancies in combat units remains high, thus considerably affecting their proper functions. To cope with possible changes in the national population structure and the needs of overall development, we will, aside from improving the effectiveness of weaponry and equipment and improving personnel quality, appropriately modify military organizations; streamline the level of ranking commanders, aides, and staff; streamline and merge commanding bodies; reform the medical system; streamline and improve the organization of logistic units; reduce units not conforming to the principle of establishment; trim down the desired size of the Army, Navy, and Air Force; and give priority to filling up vacancies in individual units so as to further fortify the overall combat strength of the national Army.

IV. Rectify the Ratios of Commissioned Officers, Noncommissioned Officers, and Privates

With a relatively low proportion of rank-and-file soldiers, our current ratio of Army officers to soldiers is 1:4. To rectify this ratio, we are looking for ways to streamline the number of commissioned officers, aside from streamlining the top level and reducing units not conforming to the principle of establishment; however, to cater to the military's increased need for technical personnel and professionals in modern times, it is advisable to, in the light of the experience of advanced countries, expand the employment of noncommissioned and civilian personnel to reduce our need for commissioned officers. By so doing, the ratios of commissioned officers, noncommissioned officers, and privates will be rationalized without affecting the combat effectiveness of Army units.

V. Improve Educational and Working Conditions in the Military as Well as Army Officers' Work Quality and Aspirations

Thanks to its effective management and self-improvement in past decades, the national Army has established almost every necessary regulation and system. The systems of recruiting, training, employment, and demobilization are all functioning properly; however, as a result of changes in the social structure and people's values, military academies are facing a shortage of students, with the number of candidates taking admission examinations and those actually reporting for training dropping from year to year. To cater to the present needs and future development, the ministry is currently carrying out forward-looking planning on improving the social status, lives, and working conditions of servicemen, adjusting their remunerations and period of service, revising a demobilization policy, and improving the education system so as to create reasonably motivational factors to attract youths with lofty ideals to join the service and then proceed to keep excellent personnel in the military as well as upgrade cadre quality. The ministry also strengthens ties and cooperation with nongovernmental universities in streamlining and merging university faculties of similar nature that are not directly related to military affairs and in expanding four-year or six-year military training schemes for voluntary cadet officers. Through such measures, it will be able to directly absorb undergraduates of nongovernmental universities, conduct pre-employment training, and save on education investments. In addition, the ministry is creating better opportunities for service members to pursue higher learning by incorporating advanced military studies of the national Army into the national education system. This provides service members with an opportunity to pursue advanced academic degrees in nonmilitary disciplines or to earn similar degrees in military studies at the appropriate time, thus upgrading their academic level.

VI. Effectively Utilize Female Human Resources

As females account for half of the world's human resources, all countries are putting this resource to use. For instance, a total of over 220,000 female American service members are holding positions in every level of the military and account for more than 10 percent of the total number of active American service members. Initially, the proportion of female service members was very low in our national Army; however, beginning in 1991, admission tests have been held to select female officers as a measure to fill up openings of administrative, technical, middle-level, and junior cadres as well as professionals in various departments. To attract females to the military and effectively upgrade the combat strength of the Army, the ministry also conducted a study on the length of their service and related employment rules and on extending the scope of their work to give them reasonable opportunities for promotion and development.

Naval Forces

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in Chinese 18 Feb 92 p 10

[Special report on the "National Defense White Paper" released by the Defense Ministry on 17 February: "The Goal of Naval Forces Is To Ensure Command of the Taiwan Strait and the Safety of Sea Routes"]

[Text] It is extremely important to exercise effective control over and use the sea areas surrounding the revival bases of Taiwan and Penghu, which boast coastlines of more than 1,000 kilometers. The Navy is the main force for sea defense, in charge of the fundamental mission of carrying out operations at sea and of striving to ensure defense of the coastline and command of the seas in coordinated operations with the Army and Air Force.

I. Current Situation of Naval Forces

In the light of sea defense principles, the Navy's goal is to organize and outfit its combat force to ensure command of the Taiwan Strait and the safety of major sea routes. Continuous efforts will be made by naval forces to upgrade their observation and communications systems, automate their command and management systems, enhance the electronic combat capacity of naval vessels, upgrade weapons systems on destroyers, organize and expand the military capabilities of mine layers and mine sweepers by outfitting them with more and better mine-planting and mine-sweeping equipment and developing new types of mines, strengthen coastal guard forces, build new second-generation vessels, and purchase more submarines and land-based anti-submarine aircraft in a bid to enhance the Navy's combat capacity. The Marine Corps goal is to build mechanized infantry units with self-propelled artillery and automated command and communications systems in an effort to build amphibious, surprise-attack forces with high mobility and strong offensive capabilities.

The organization of naval units can be divided into two categories—combat units and land-based units, which constitute an integrated system under the unified command of the Navy General Headquarters.

A. Naval Operations Units:

1. Naval fleets are composed of destroyers (DDC), patrol ships (PF), patrol-escort ships (PCE), tank landing ships (LST), mine-sweeping ships (MSC), submarines (SS), vessels of various types for miscellaneous duties, and aviation units (S-70C and other helicopters). Naval fleets include:

a. Destroyer and patrol boat units, which carry out such tasks as air defense, anti-submarine, coastal bombardment, escort duty, coastal surveillance, and other tasks—currently there are two destroyer fleets and one patrol fleet. b. Amphibious units, which are used mainly for carrying out amphibious operations—currently there is one amphibious fleet. c. Submarine units—currently

there is one submarine combat force. d. Mine units, which have mine-planting and mine-sweeping capabilities to carry out mining operations—currently there is one mine fleet and one mine-planting and mine-sweeping fleet. e. Speed boat units, which carry out such tasks as coastal patrol and surface operations—currently there is one Sea Dragon (hai jiao 3189 5754) group. f. Aviation units, which are composed of anti-submarine helicopters—currently there is one helicopter group. g. Logistic units—currently there is one logistic fleet and one rescue group.

2. Land-based missile units consist of the Drone Missile Group. They coordinate with naval fleets in sea-command operations; they also support anti-landing operations.

3. The Marine Corps is composed of combat, combat support, and logistic support troops. They are equipped to carry out amphibious and inland operations. The Marine Corps consists of two marine divisions, one landing tank regiment, and one operations logistic regiment. B. Navy's Land-Based Units:

The Navy's land-based units refer to all units installed on land bases, including regional command units, units in charge of education, training, administration, logistics management, logistics support, and naval professions. They also include a naval officers' academy, two military regional headquarters, five base headquarters, a logistics headquarters with five shipyards under its command, a fleet training headquarters, and various specialized schools. Their common task is to support the operation of naval fleets and the marine corps.

II. Past Naval Developments

Over the past 10 years, the Navy has spared no efforts in implementing its plans for the purchase and self-development of missile-equipped speed boats, second-generation battleships, submarines, and various weaponry systems. In 1983, a group of self-made missile-equipped speed boats was formed. Later, two swordfish-class submarines and a high-speed oil and weaponry supply ship were purchased; a marine patrol group and a land-based missile group were formed. All major combat forces have accomplished the tasks of upgrading weaponry systems, and in-depth remodeling and repairing of ship bodies, turbines, and equipment. Having accomplished the plans of Wu-chin (2976 6651) One, Two and Three, the Navy has greatly improved its capability, enabling it to fill up the combat force gap before second-generation battleships are put into service. At the end of 1989, the project of building second-generation battleships began. This project is currently going smoothly. The building of other battleships has been carried out in accordance with plans. New anti-submarine helicopters (S-70C) purchased from abroad have also been put into service. It is expected that the capability of our anti-submarine operations in the Taiwan Strait will be enhanced. In order to give full play to the functions of all

weaponry and equipment as well as to economize manpower and material resources, the Navy has installed various training equipment, making it possible to realize the automation of tactical training. In a bid to maintain a combat staying-ability, the Navy has formed a task force for maintaining and repairing advanced weaponry and equipment. The Marine Corps has been completed equipping its units with self-propelled guns, the replacement of its light weapons, rebuilding of its armored vehicles, improvement of the power of its amphibious vehicles, and the purchase of low-altitude antiaircraft missiles. To meet the needs of upgrading its weapon systems and the need for manpower to form new units, the Navy streamlined its marine corps and amphibious forces between 1983-1985; mothballed seven tank-landing craft between 1984-1990; retired 10 PF-PCE patrol boats between 1988-1990; scraped one oil tanker in 1989; and scraped two minesweepers in 1991. A total of 3,010 navy personnel have been reduced. Developments in the past 10 years has strengthened the Navy, raised its quality, and equipped it with the capability to operate effectively in coastal waters.

III. Future Developments

In future development the Navy will continue to pursue the objectives of building its second generation of main fighting forces, replacing ship weapons with missiles, and achieving three-dimensional method of antisubmarine operations and automation in military command and control. It will retire its existing destroyer force following the acquirement of PEG-2 antisubmarine missile escorts and PCEG missile patrol boats; continue the replacement and expansion of submarines, missile speedboats, and troop strength and set up S-70C shore-based antisubmarine helicopter force; deploy shore-based antiship missiles and equip warships with long-distance ship-to-ship missiles; develop new induction mines in order to increase its mine-operation capability; upgrade and strengthen its logistic forces; upgrade its observation and communication system so as to achieve automation in command, control, communications, and intelligence gathering; set up a sea command center in order to comprehensively upgrade its operation capability to take command of the sea; and expand bases and logistic facilities in eastern Taiwan in order to increase its fighting capability. The marine corps plans to acquire shoulder-fired as well as sea-fired [hai pu 3189 2613] anti-aircraft missiles in order to strengthen its anti-aircraft capability in field operations; will continue to improve the performance of the M-41 fighting vehicles, to equip units with self-propelled guns, and to upgrade landing craft, such as the LVT-P5, in order to strengthen its capability for mobile amphibious operations.

Opposition May Not Choose Independence Policy

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[Text] Taipei, Feb 26 (AFP)—The chairman of Taiwan's main opposition party said Wednesday that the island state's independence may not necessarily become policy if his party takes power.

"Making Taiwan independent of China is not our only choice ... and we would consider conditions at the time before deciding whether to adopt this as our national policy," Democratic Progressive Party (DPP) chairman Hsu Hsin-liang said in response to a reporter's question.

The DPP adopted in its platform last October a clause calling for the establishment of an independent Taiwan state following a plebiscite. The clause seriously provoked the ruling Kuomintang (KMT), which later ordered a crackdown on pro-independence activities here.

"If we have to choose between the pro-independence movement and the pro-democracy movement, I think our party would choose to build a modern, democratic system on the island," Hsu said. What the DPP really wants is a plebiscite, he added. "I will request that this (plebiscite) be clearly stated and adopted during our National Congress on May 16-17 to prevent others from distorting our policy," Hsu said, adding that the DPP would not, however, revise its controversial pro-independence clause.

The Taiwan Government, formed after the KMT was driven from mainland China by the communists in 1949, still disputes sovereignty over China with Beijing.

But it agrees with Beijing that Taiwan is an integral part of China and that attempts to make it independent of China are illegal.

A cabinet-level committee on political parties ruled that the DPP should be disbanded because of the pro-independence clause, but the recommendation was not carried out in the face of DPP threats that it would escalate political tensions by staging large-scale demonstrations and disrupting the opening session of parliament.

Hsu said the DPP's pro-independence platform does not advocate violence, and that any decision to disband his party would be against the constitution, which protects freedom of assembly and speech.

He said the platform only reflects the ideal of the party.

"Even if we become the ruling party, we would carefully review conditions at that time before deciding to make Taiwan an independent state," Hsu said.

Hong Kong

Governors Agree To Curb Smuggling, Promote Trade

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[By Kent Chen in Guangzhou]

[Text] The Governor of Guangdong, Mr Zhu Senlin, and Lord Wilson yesterday struck a series of significant agreements tightening contact between their administrations.

The two governors promised to step up efforts against smuggling along the border, ensure trucks used all border crossings to reduce traffic congestion at Man Kam To and promote trade.

Lord Wilson, who is visiting Guangzhou for the last time before he retires, offered Mr Zhu the help of the Trade Development Council [TDC] to allow Guangdong to diversify its trade through Hong Kong.

"The TDC is our body promoting trade with the whole world. They are extremely good at it," he told Mr Zhu over dinner.

On the problems of smuggling, both agreed that closer contact between their law enforcement authorities was essential.

Mr Zhu mentioned the province's concern over television sets smuggled in from Hong Kong.

"The produce a large number of TV sets which they think adequate to meet people's needs in Guangdong," Lord Wilson said.

"That's undercut by goods being smuggled into Guangdong. For them it is a real problem.

"It is a problem for us. We both have the intention of getting it under control," he said.

Lord Wilson said recent incursions by Chinese gunboats, particularly when Marine Police were involved in anti-smuggling operations, was something "nobody wants to happen".

"The Chinese said they had no intention to exercise jurisdiction in Hong Kong waters. I am sure that is true.

"Things happened, they happened by mistake. Those are regrettable when they do happen. We must do everything possible on both sides to avoid it," he said.

Lord Wilson said earlier yesterday he would also want to visit Beijing for talks with the Director of the Hong Kong and Macao Affairs Office under the State Council, Mr Lu Ping.

He said a date was not set and he did not know what specific issues would be raised.

"We are talking about issues which are some way ahead. But I will be discussing with Mr Lu all the issues affecting Hong Kong-China relations."

The Chinese side is to raise its concern over the Government's plan to privatise its departmental bodies in the run-up to 1997 at the Sino-British Joint Liaison Group (JLG) meeting next month.

Sources said the Chinese side was worried about the political motive behind the privatization scheme, particularly Radio Television Hong Kong (RTHK), even though the administration insisted that it was just for the sake of saving money and improving efficiency.

On his way to Guangzhou by train yesterday, Lord Wilson said the Government would not take a final decision on the radio station at this stage.

A source said Beijing was fearful that the Government wanted to "sell off" some of its agencies before 1997.

Such a move, officials warned, could bring about wide implications over the structure of the bureaucracy well as its finance and civil service set-up.

As the 1997 changeover was only five years away, officials cast grave doubts over the motive behind the privatization scheme, particularly the Radio Television Hong Kong (RTHK) corporatisation scheme.

It is understood that the Chinese JLG team was also to emphasise its concern over the RTHK plan at the diplomatic body's plenary session scheduled to be held Hong Kong at the end of next month.

"We have no intention to turn RTHK into a Hong Kong branch of China's Central Television after 1997," said a source.

"Under the 'one country, two systems' policy, Hong Kong is practise capitalism and we will insist on socialism.

"We have no intention to want to have RTHK promoting socialism here after 1997."

The Chinese side is keen to retain RTHK as a governmental body after 1997 to help promote its policy.

A source said: "Since the Hong Kong Special Administrative Region will only come into being in 1997, there is a need to have greater promotion on its policies and system."

However, Lord Wilson said: "We have a long way to go before we take a decision on what we should be doing."

"We have been discussing this question with the Chinese and I imagine discussions will go on. We would like to listen to what they have to say on that subject. I don't

think there is anything wrong in that. I wouldn't expect them to wish to try to interfere in Hong Kong affairs."

Asked if the Chinese opposition would affect the process of corporatising the RTHK, the Governor said: "We will be listening to what the Chinese have to say on the subject but there are a lot of other factors involved as well.

"From our point of view, what we must try to do is to look for a way of structure which will make RTHK more efficient, more cost effective. It is not changing the nature of the RTHK.

"Talks with staff are still at an early stage so I don't envisage taking a decision in the immediate future."

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